

Union Diagnostic & Clinical services Plc.

Unaudited Financial Statement – 30 June, 2020

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**UNAUDITED FINANCIAL STATEMENT FOR THE PERIOD ENDED
30TH JUNE 2020**

STATEMENT OF DIRECTORS IN RELATION TO THE FINANCIAL STATEMENTS

The Directors' accept responsibility for the preparation of this financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with the international Financial Reporting Standards (IFRS) and the Companies and Allied Matters Act.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal financial controls.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Dr. Olusola Akinntoyi
FRC/2016/MDCN/00000014375
July 27, 2020

HEADQUARTERS AND BRANCHES LOCATIONS

1. V/Island: No. 5, Eletu Ogabi Street, Off Adeola Odeku Street Victoria Island. 2. Yaba: No. 37, Tejuosho Street, Yaba, Lagos. 3. Ikeja: 7/8 Bull Plaza Conoil Building Opposite LASUTH (Ayinke House) General Hospital, Ikeja. 4. Ikotun: No. 5, Idimu Road Ikotun 5. Ikorodu: No. 1, , Lagos Road, Opposite AP Petrol Station, Ikorodu Garage Roundabout, Ikorodu. 6. Ajegunle: No. 113, Baale Street, Near Ajeromi / Ifelodun L.G.A Barracks Bus/Stop. 7. Agege: No. 67a, Old Abeokuta Motor Road, Beside Oando Petrol Station Agege. 8. Badagry: 103 Hospital Road Before Badagry General Hospital, Badagry, Lagos 9. 37, Nawair-ud-Deen Isabo Road Opposite Reverend Kuti Grammar School, Oke-Ijeun Abeokuta.	10. Port-Harcourt: 2, Finima Street, Old GRA, Opp. Leventis Bus-Stop, Port-Harcourt. 11. Akure: 31, Oluwatoyin Street Opposite Kikiowo Shopping Complex, Akure. 12. Jos: No. 12 Jingere Road Muritala Muhammed Way, Jos. 13. Kumshe Ward Opp. Lamisula Police Station Maiduguri 14. NK6, Junction Road By Arochukwu Road Kaduna. 15. 163, Ibrahim Taiwo Road Ilorin. 16. 4c Fagbewesa Street (Former Agric. Bank Building) Osogbo.
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[REDACTED] 17. NO. 7, Zaria Road By Dangi Roundabout, Kano. 18. 34/35, Airport Road Opp. Baba Alhamadu Sec. School Kano. [REDACTED] 19. Ibadan: NO. 9, Elizabeth Road, Isolak Building Mokola Roundabout Beside Agip Petrol Station, (Opp. Group Medical Practitioners) Ibadan. [REDACTED] 20. 75, Sapele Road Benin.	[REDACTED] 21. No 1. Yoruba Road, Minna.
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Shareholding Structure/Free Float Status

Description	30-Jun-20		30-Jun-19	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	3,553,138,528	100%	3,553,138,528	100%
Substantial Shareholdings (5% and above)				
Dr. Olusola Akinniyi	233,462,131	6.57%	233,462,131	6.57%
Merrybome Investment Limited	272,997,974	7.68%	272,997,974	7.68%
Foyin Chemist And Stores	348,000,000	9.79%	348,000,000	9.79%
Senior Design Limited	453,798,638	12.77%	453,798,638	12.77%
Lifecare Partners	498,000,000	14.02%	498,000,000	14.02%
Total Substantial Shareholdings	1,806,258,743	50.84%	1,806,258,743	50.84%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Akinkoye Abiodun (Indirect - Merrybome Investment Limited excluded because it's already in Substantial Shareholding)	--	--	--	--
Akinkoye Abioduns (Direct)	1,272,000	0.04%	1,272,000	0.04%
Amb. B. A. Adeyemi	1,956,000	0.06%	1,956,000	0.06%
Dr. Olusola Akinniyi (Excluded because its already in Substantial Shareholding)				
Total Directors' Shareholdings	3,228,000	0.09%	3,228,000	0.09%
Other Influential Shareholdings				
Total Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	1,743,651,785	49.07%	1,743,651,785	49.07%

Declaration:

(A) Union Diagnostic and Clinical Services Plc with a 40.07 % held by over 10,700 shareholders as at 30 June 2020, is compliant with The Exchange's free float requirements

**Statement of Comprehensive Income
For the Period Ended 30th June 2020**

Figures in Naira

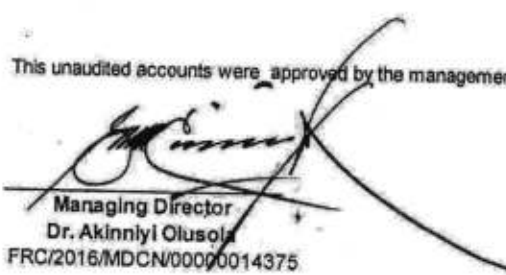
	Notes	3 Months ended June 2020 N	6 Months ended June 2020 N	3 Months ended June 2019 N	6 Months ended June 2019 N
Revenue	6	277,256,965	630,609,226	329,762,866	653,426,707
Cost of sales	7	(87,655,737)	(190,158,920)	(92,483,794)	(195,705,690)
Gross profit		189,601,228	440,450,306	237,279,071	457,721,017
Other income	8	-	-	-	-
Employee benefits expenses		(87,406,895.12)	(195,215,383.59)	(98,115,137.41)	(204,028,455.00)
Rent		(1,070,700.00)	(2,141,400.00)	(4,613,100.00)	(12,745,000.00)
Transportation and motor running expenses		(3,628,400.00)	(14,342,680.00)	(6,957,405.00)	(15,376,025.00)
Communication expenses		(1,294,150.00)	(2,747,600.00)	(738,610.00)	(3,108,620.00)
Depreciation and impairment		(46,491,870.00)	(92,983,740.00)	(30,796,761.00)	(56,072,621.00)
Legal, consultancy & other professional fees		(7,633,163.50)	(9,133,163.50)	-	(1,720,000.00)
Repairs and maintenance		(1,851,100.00)	(4,340,890.00)	(12,904,265.00)	(21,646,845.00)
Other operating expenses		(38,169,976.45)	(70,944,498.70)	(32,746,983.69)	(56,894,535.00)
		(187,546,255)	(391,849,356)	(186,872,262)	(371,592,101)
Operating profit		2,054,973	48,600,950	50,406,809	86,128,916
Finance income		-	-	-	-
Finance costs	9	(1,376,967)	(7,611,324)	(756,825)	(1,159,262)
Finance income / (costs)		(1,376,967)	(7,611,324)	(756,825)	(1,159,262)
Profit before taxation		678,006	40,989,626	49,649,984	84,969,654
Taxation	18	(216,962)	(13,116,680)	(3,476,969)	(5,947,876)
Profit/(Loss) for the year		461,044	27,872,946	46,173,015	79,021,778
Total comprehensive income/(loss) for the year		461,044	27,872,946	46,173,015	79,021,778
Earnings Per Share (N)		0.0001	0.01	0.01	0.02

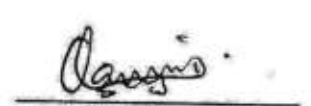
Statement of Financial Position
As At 30th June 2020

Figures in Naira

	Notes	June 2020 N	June 2019 N
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	11	3,692,123,133	3,652,865,719
Capital work in progress		419,992,703	399,302,003
Long term investment		150,420,918	122,808,874
		<u>4,262,536,754</u>	<u>4,174,976,596</u>
CURRENT ASSETS			
Inventory	13	9,023,876.85	38,325,350
Trade and other receivables	12	356,189,518	287,235,597
Cash and cash equivalents	14	184,000,530	90,627,100
		<u>540,190,048</u>	<u>416,188,047</u>
TOTAL ASSETS		<u>4,802,726,802</u>	<u>4,591,164,643</u>
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	15	1,776,569,264	1,776,569,264
Share premium		2,616,172,623	2,616,172,623
Retained earnings		189,585,782	161,712,836
		<u>4,582,327,669</u>	<u>4,554,454,723</u>
NON - CURRENT LIABILITIES			
Provision		-	-
Loan		-	-
CURRENT LIABILITIES			
Current-tax payable	18	19,064,556	5,947,876
Trade and other payables	19	201,334,577	30,762,044
		<u>220,399,133</u>	<u>36,709,920</u>
TOTAL LIABILITIES		<u>4,802,726,802</u>	<u>4,591,164,643</u>

This unaudited accounts were approved by the management of the company on the 27 day of July, 2020 and were signed on its behalf by:


Managing Director
Dr. Akinniyi Olusola
FRC/2016/MDCN/00000014375


Chief Financial Officer
Mrs. Jayeola Dorcas
FRC/2016/CAN/00000014338

**Statement of Change in Equity
As At 30th June 2020**

Figures in Naira

	Share Capital N	Share Premium N	Retained Earnings N	Total Equity N
Balance as as 1 Janaury 2019	1,776,569,264	2,616,172,623	82,691,058	4,475,432,945
Issued during the year				
Net Income/(Loss) for the year			79,021,778	79,021,778
Balance as at 30th June 2019	<u>1,776,569,264</u>	<u>2,616,172,623</u>	<u>161,712,836</u>	<u>4,554,454,723</u>
Balance as as 1 Janaury 2020	1,776,569,264	2,616,172,623	161,712,836	4,554,454,723
Net Income/(Loss) for the year			27,872,946	27,872,946
Balance as at 30th June 2020	<u>1,776,569,264</u>	<u>2,616,172,623</u>	<u>189,585,782</u>	<u>4,582,327,669</u>

Statement of Cash Flow
For the Year Ended 30th June 2020

Figures in Naira

	Notes	June 2020 N	June 2019 N
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	10	273,153,738	103,452,698
Tax paid		-	(70,480,638)
Net cash from operating activities		273,153,738	32,972,060
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(170,103,666)	(70,417,500)
Purchase of investment		(9,676,642)	4,818,613
Net cash from investing activities		(179,780,308)	(65,598,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in Cash and Cash Equivalent		90,627,100	123,253,927
Cash and Cash Equivalent at 1st January		90,627,100	123,253,927
Cash and Cash Equivalent at 31st December		184,000,530	90,627,100

STATEMENT OF ACCOUNTING POLICIES

1. Basis of preparation:

The principal accounting policies applied in the preparation of the above financial statements are set out below:

(a) Statement of compliance:

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the Financial Reporting Council of Nigeria (FRC). Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

(b) Going concern basis of accounting:

This financial statements have been prepared on the going concern basis of accounting which assumes the Company will realise its assets and discharge its liabilities in the normal course of business.

(c) Basis of measurement:

The financial statements have been prepared based on historical cost price method.

(d) Functional and presentation currency:

These Financial Statements are presented in Nigeria Naira which is the Company's functional currency.

(e) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requirement which require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2. Summary of Significant Accounting Policies:

(a) Foreign currency transactions:

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date.

Foreign exchange differences arising on translation are recognized in the income statement part of the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

(b) Property, Plant & Equipment:

Items of property, plant and equipment held for use in contract execution or supply of services, and/or for administrative purposes, are stated in the statement of financial position at their cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Unless revised due to specific changes in the estimated useful life, annual depreciation rates are as follows:

- Land and Building	:	40 years
- Plant, Machinery	:	5.5 years
- Furniture & Fittings	:	5.5 years
- Vehicles	:	5 years
- Office equipment	:	5.5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(c) Impairment of Assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less

than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(d) **Financial Assets:**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis.

At the moment, the Company only have financial assets classified as "loans and receivables". Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade, staff and other receivables, bank balances and cash, and others) are measured at fixed or determinable cost, less any impairment (No interest is charged for amount past due date).

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For trade receivables, the assets impairment are assessed on individually, and collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(e) **Cash and Cash Equivalent:**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

For the purpose of the statements of cash flows, cash and cash equivalents includes cash on hand and deposits held at call or short-term maturity with banks (three months or less), net of bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

(f) **Shareholders' Equity:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Where the Company purchases the Company's, equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the Company's equity holders.

(g) **Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is reasonably certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(h) **Retirement benefits and other long-term employees' benefits:**

Employee benefits mainly relate to pension plans and other supplemental benefits. For defined benefit plans, which are contributory, the cost is determined using the statutorily defined 10% for employers and 8% for employees' rates.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(i) **Financial Liabilities:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified as either "financial liabilities at fair value through profit or loss" or "other financial liabilities".

The Company does not hold any financial liabilities at fair value through profit or loss. Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash

payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(j) **Income Taxes:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (e.g. differences between carrying amounts under IFRS and the statutory tax bases). Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(k) **Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognized using the effective interest rate method.

Dividends are recognized when the right to receive payment is established.

3. Financial Risk Management:

(a) Introduction:

Risk Management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long-term value proposition.

Key elements of risk management are:

1. Strong corporate governance including relevant and reliable management information and internal control processes;
2. Ensuring significant and relevant skills and services are available consistently to the Company;
3. Influencing the business and environment by being active participants in the relevant regulatory and business forums; and
4. Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall Company focus within an appropriate risk framework is to give value to the shareholders, customers and other stakeholders through effective and efficient execution of transactions.

The Board of Directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

(b) Significant risks impacting the business are:

Risks	Description
Regulatory	That changes in regulations (legal, taxation and accounting or specific industry pronouncements) which impact the business of the Company may be unknown and/or its impact not fully evaluated resulting in non-compliance. To manage this risk, the Company actively monitors regulatory environment; participates in the Surveying professional association affairs and engages with policy makers and regulators where required.
Legal	That the Company may be exposed to contractual obligations which have not been provided for. The Company has a policy of ensuring all contractual obligations are documented and appropriately evidenced via agreements with the relevant parties to the contract. All significant contracted claims are reviewed by independent legal resources and amounts are provided for. At 31 December 2019, the directors are not aware of any significant obligation that needs to be provided for in the financial statement.
Taxation	That the Company may suffer loss, financial or otherwise due to incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products. Tax law includes all responsibilities which the Company may have in relation to Company taxes, personal taxes, capital gains taxes, value added taxes, withholding taxes and tax administration. Compliance with this policy is aimed at ensuring that: - All taxes due by the Company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation; - The Company continually reviews its existing operations and planned operations in this context; and - The Company ensures that, where clients utilise the Company's services, these clients are either aware of the probably tax consequences, or are advised to consult with independent professionals to assess these consequences, or both
Accounting	That the Company may fail to record and disclose current events impacting the business in the financial statements. Accounting risk can also arise from the failure of management to: - o Maintain proper books and records, accounting system and to have proper accounting policies; - o Establish proper internal accounting control; - o Prepare periodic financial statements that reflect an accurate financial position; and transparently disclose all relevant matters.
Reputational	That the Company suffers loss arising from decline in reputation from its stakeholders, shareholders, customers, staff, business partners or the general public perspective. Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.
Strategic	That the Company suffers unexpected negative change in the Company value, arising from the adverse effect of executive decisions on both business strategies and their implementation. Strategic risk also includes the ability of management to effectively analyse and react to external factors, which could impact the future direction of the relevant business units.

Risks	Description
	The Directors identifies and assesses this risk qualitatively as part of its periodic risk evaluation and the outcome communicated.
Operational	That the Company may suffer direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control systems and procedures are also subjected to regular internal audit reviews.
Liquidity	That the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

(c) **Sensitivities**

Management applies a number of sensitivities tests to the earnings of the Company to better understand the exposure to and importance of each of the main drivers of profitability.

IFRS 7 requires management to report on the changes in the net income after tax following "reasonable possible" changes in each of the factors to which the Company is exposed.

Management has considered the impact of crude oil prices; future rates of expense inflation; Niger delta militancy, catastrophes; and tax assumptions on Company's profitability and observed that the Company's earnings are sensitive to changes in these variables.

However, Management has not quantified and presented the impact of these sensitivities as it is unlikely, in management's opinion that changes in these variables are externality which is outside its immediate control.

4. **Critical accounting judgements and key sources of estimation uncertainty:**

In the application of the Company's accounting policies, which are described above, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Notes to the Financial Statements
For the Period Ended 30th June, 2020**

Figures in Naira

6	Revenue	June 2020	June 2019
		N	N
	Laboratory services	630,609,226	653,426,707
		<u>630,609,226</u>	<u>653,426,707</u>
7	Cost of sales		
		N	N
	Direct costs	190,158,920	195,705,690
		<u>190,158,920</u>	<u>195,705,690</u>
8	Other Income		
		N	N
	Other income	-	-
		<u>-</u>	<u>-</u>
9	Finance Cost		
		N	N
	Bank Charges	7,611,324	1,159,262
		<u>7,611,324</u>	<u>1,159,262</u>
10	Profit before taxation	June 2020	June 2019
	Profit before taxation is stated after charging/ (crediting) of the following:	N	N
	Depreciation of fixed assets	92,983,740	56,072,621
	Director's remuneration	-	-

Figures in Naira

11 Property, plant and Equipment

	<u>Land & Building</u> N	<u>Medical Equipment</u> N	<u>Machine, Plant & Office Equipment</u> N	<u>Office Furniture</u> N	<u>Motor Vehicle</u> N	<u>Total</u> N
Year ended 30th June, 2019:						
1st January, 2019	3,219,359,790	2,150,986,988	213,041,298	24,255,910	139,832,060	5,747,456,046
Additions	441,689,903	185,306,043	73,802,950	15,773,050	13,050,000	729,621,946
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation: increase/(decrease)	-	-	-	-	-	-
Closing book value (at cost)	<u>3,661,049,693</u>	<u>2,336,273,031</u>	<u>286,844,248</u>	<u>40,028,960</u>	<u>152,882,060</u>	<u>6,477,077,992</u>
Year ended 30th June, 2020:						
1st January, 2020	3,661,049,693	2,336,273,031	286,844,248	40,028,960	152,882,060	6,477,077,992
Additions	4,500,000	138,483,433	18,986,233	7,435,500	698,500	170,103,666
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation: increase/(decrease)	-	-	-	-	-	-
Closing book value (at cost)	<u>3,665,549,693</u>	<u>868,636,982</u>	<u>868,636,982</u>	<u>47,464,460</u>	<u>16,184,100</u>	<u>6,466,472,216</u>
Accumulated depreciation:						
Accumulated depreciation:						
At 1st January, 2020	286,251,777.00	1,722,933,135	120,792,583	22,483,131	142,442,060	2,294,902,686
Accumulated depreciation:						
At 30th June, 2020	22,881,560	58,406,826	7,171,106	2,001,448	2,522,800	92,983,740
Net book value:						
At 30th June, 2020	<u>3,642,668,133</u>	<u>100,000</u>	<u>2,815,000</u>	<u>2,563,000</u>	<u>43,977,000</u>	<u>3,692,123,133</u>

Union Diagnostic & Clinical Services Plc
Unaudited Financial Statements – 30 June 2020

Figures in Naira

12	Trade and other receivables	June 2020 N	June 2019 N
	Trade receivables	86,139,697	276,313,127
	Staff advances	-	1,355,185
	Other assets	270,049,821	9,567,285
	Related party	-	-
		<u>356,189,518</u>	<u>287,235,597</u>
12.1	Impairment of receivables		
	Impairment of receivables involves management judgement and review of individual receivables balances based on individual customer's prior payment records, current economic trends and analysis of historical loss ratio of a similar type of cutomers.		
	Movement in the provision for impairment of trade receivable are as follows:		
	As at 1st January	N -	N -
	Provision during the year	-	-
	Balance as at 30th June	<u>-</u>	<u>-</u>
12.2	Trade Receivables Aging Analysis		
	Less than 90 days	N 86,139,697	N 276,313,127
	91 - 180 days	-	-
	181 - 270 days	-	-
	271 - 365 days	-	-
	Over 365 days	-	-
		<u>86,139,697</u>	<u>276,313,127</u>
13	Inventory		
	Medical consumables	N 9,023,877	N 38,825,350
		<u>9,023,877</u>	<u>38,825,350</u>
14	Cash and cash equivalent		
	Cash at hand	N -	N -
	Bank balances	184,000,530	90,627,100
		<u>184,000,530</u>	<u>90,627,100</u>
15	Authorised Share capital	No. of Shares	Nominal Value Nigerian Naira
		4,500,000,000	0.50
			<u>2,250,000,000</u>
	Movement during the year		
15.1	Issued and Fully Paid Up Capital		
	Opening balance as at 1 January 2020	3,553,138,528	0.50
			<u>1,776,569,264</u>
	Issue of new shares	-	-
			<u>-</u>
	Balance as at 30 June 2020	3,553,138,528	0.50
			<u>1,776,569,264</u>

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Unaudited Financial Statements – 30 June 2020

	June 2020 N	June 2019 N
16 Share Premium		
Share premium	2,616,172,623	2,616,172,623
	<u>2,616,172,623</u>	<u>2,616,172,623</u>
17 Revenue Reserve		
Retained Earnings B/F	161,712,836	82,691,058
Accruals and other payable	27,872,946	79,021,778
	<u>189,585,782</u>	<u>161,712,836</u>
18 Current Tax Liabilities		
Opening balance	5,947,876	70,480,638
Provision for the year	13,116,680	5,947,876
	<u>19,064,556</u>	<u>76,428,514</u>
Less: Payments	-	(70,480,638)
Closing Balance	<u>19,064,556</u>	<u>5,947,876</u>
19 Trade & Other Payables		
Trade creditors	9,456,780	18,985,350
Other creditors	191,877,796	10,479,195
Accruals	-	2,697,500
Closing Balance	<u>201,334,577</u>	<u>32,162,045</u>
20 Cash Used in Operations		
Profit before taxation	27,872,946	79,021,778
Adjustments for:	92,983,740	56,072,621
Depreciation	-	-
Finance Income	7,611,324	1,159,262
Finance Cost	-	-
Gain/(loss) on foreign exchange restatement	-	-
Changes in working capital:	(68,953,921)	68,204,927
Trade and other receivables	29,301,473	(34,663,686)
Inventory	170,572,533	(66,342,204)
Trade and other payables	<u>259,388,095</u>	<u>103,452,698</u>

21. Securities Trading Policy:

In accordance with the Post-Listing Rules of the Nigerian Stock Exchange, Union Diagnostics & Clinical Services Plc has in place a Securities Trading Policy which regulates securities transactions by its Directors, Employees and other Insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy and Closed periods are communicated periodically to drive compliance. In respect of the period ended 30th June, 2020, the Directors of Union Diagnostic hereby confirm that:

- a. A Code of Conduct regarding the securities transactions by all Directors has been adopted by the Company;
- b. Specific enquiry of all Directors has been made during the reporting period and there is no incidence of non-compliance with the listing rules of the Nigerian Stock Exchange or with Union Diagnostics' Code of Conduct, with respect to security transactions by Directors.

Statement of Value Added
For the Period Ended 30th June,

	June 2020		June 2019	
	N		N	%
Revenue	630,609,226		653,426,707	
Bought-in-materials and Services	(293,809,152)		(307,196,715)	
Value Added	<u>336,800,074</u>		<u>346,229,992</u>	
Applied as follows:				
Employees as wages and Salaries	195,215,384	58	204,028,455	69
Retained in the business:				
- depreciation	92,983,740	28	56,072,621	8
- profit/(Loss) retained in the business	27,872,946	8	79,021,778	10
To providers of capital				
- interest	7,611,324	2.26	1,159,262	2
- dividend paid	-	0	-	0
To government:				
- as taxation	13,116,680	4	5,947,876	12
Value Added	<u>336,800,074</u>	<u>100</u>	<u>346,229,992</u>	<u>100</u>