

# 2014

ANNUAL REPORT



**uacn property development company plc**  
*...building for sustainable value*



Cameron Green, Ikoyi



The consolidated financial statements are in line with the International Financial Reporting Standards (IFRS) and Companies and Allied Matters Act (CAMA) and have been independently audited by PricewaterhouseCoopers (PwC).

The financial statements have been prepared in such a manner as to provide stakeholders with an understanding of the company's business, performance, prospects and strategy. This report is also intended to provide stakeholders with an appreciation of the overall environment in which the company operates.

The report covers the operation of UACN Property Development Company (UPDC) Plc. and its subsidiaries for the financial year ended 31st December 2014.

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# Notice of annual general meeting

**NOTICE IS HEREBY GIVEN THAT** the 17th Annual General Meeting of the Members of UACN Property Development Company Plc will be held at Arthur Mbanefo Hall, Golden Tulip Festac Lagos, Amuwo-Odofin, Lagos State on Tuesday 1st September 2015 at 10:00 o'clock in the forenoon in order to transact the following businesses:

## Ordinary Business

1. To lay before the Members the Report of the Directors, the Consolidated Statement of Financial Position of the Company as at 31st December 2014, together with the Consolidated Statement of Comprehensive Income for the year ended 31st December 2014 and the Reports of the Auditors and the Audit Committee thereon.

*The reason for ordinary resolution number 1 is to comply with the provisions of section 345 of the Companies and Allied Matters Act Cap C20 Laws of Federation which requires the Directors once at least in every year to lay before the Company in general meeting copies of the financial statements of the Company.*

2. Declare a Dividend  
*The reason for ordinary resolution number 2 is for shareholders to consider and approve the dividend recommended by the Board of Directors out of the distributable profits of the Company for the financial year ended 31st December, 2014.*

3. Re-elect Directors  
*The reason for ordinary resolution number 3 is that article 78(1) of the Articles of Association of the Company provides that except for a Director appointed to the office of Managing Director or any other executive office, at the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the nearest one-third shall retire from office.*

*The Board of Directors is currently made up of 5 Non-Executive Directors and 2 Executive Directors. Mr. Adekunle O Awojobi and Mr. Abdul A Bello are*

*the Directors retiring by rotation at the meeting and being eligible offer themselves for re-election. As required by the Code of Corporate Governance in Nigeria 2011, the profiles of the two Directors are on pages 15 and 16 of the Annual Report. The outcome of the recent Board Evaluation exercise shows that the Board was satisfied with their performance as Directors of the Company during the 2014 financial year.*

4. Appoint a new External Auditor  
NOTICE IS HEREBY GIVEN THAT the proposed External Auditor is Ernst & Young.

*The reason for ordinary resolution number 4 is that the Code of Corporate Governance in Nigeria 2011 provides that External Audit firms should be retained for no longer than ten (10) years continuously. Having been the External Auditor of the Company for more than ten years, PricewaterhouseCoopers will retire at the Meeting. The proposed External Auditor being recommended for shareholders' approval by the Board emerged from a rigorous selection process at Management, Audit Committee and Board levels.*

5. Authorize the Directors to fix the remuneration of the Auditors  
*The reason for ordinary resolution number 5 is for the shareholders to empower the Directors to fix the remuneration and expenses of the External Auditors for the financial year ending 2015.*

6. Elect Members of the Audit Committee  
*The reason for ordinary resolution number 6 is that by the provisions of section 359 of the Companies & Allied Matters Act Cap C20 Laws of the Federation, a Company shall at every Annual General Meeting elect an Audit Committee consisting of an equal number of Directors and representatives of the shareholders of the Company (subject to a maximum number of six members).*

*The names and profiles of candidates nominated for election to fill the three shareholders' slots on the Audit Committee will be posted on the Company website before the meeting. The Board of Directors has*

*nominated Mr Abdul Bello, Professor Okon Ansa and Mrs Halima Alao to represent it on the committee.*

### Special Business

7. Fix the remuneration of the Directors.  
*The reason for special resolution number 7 is to approve the remuneration payable by the Company to its Non-Executive Directors for their services as Directors of the Company for the financial year ending 2015.*

8. Increase of Authorized Share Capital  
(i) “That the amount forming the authorized share capital of the company be and is hereby increased to N1.75 billion by the creation of 1,500,000,000 additional ordinary shares of 50 kobo each which shall rank pari-passu in all respects and form the same class with the existing shares in the company”

(ii) “That the subscriptions clauses of the Memorandum of Association and the Articles of Association of the Company (as amended) be further amended to reflect the new authorized share capital.

*The reason for special resolutions number 8(i) and (ii) is to increase the authorized share capital of the Company to accommodate any future capital raise, rights issue, and scrip issue actions.*

9. Capital Raising  
To consider and if thought fit, to pass the following, with or without modification, as a special resolution of the Company:

i. “That the Directors be and are hereby authorized to raise, whether by way of a public offering, rights issue or any other method(s) they deem fit, additional capital of up to N30,000,000,000 (Thirty Billion Naira) through the issuance of shares, convertible or non-convertible securities, loan notes, bonds and or any other instrument(s), whether as a standalone transaction or by way of a programme, in such tranches, series or proportions, at such coupon or interest rates, within such maturity periods, at such dates and time and on such terms and conditions, including through a book building process or other process(es) all of which shall

be as determined by the Directors, subject to obtaining the approvals of relevant regulatory authorities.”

ii. “That any issued shares not taken up by the existing shareholders within the stipulated period be determined by the directors and offered for sale to interested shareholders of the company”.

iii. “That the Directors be and are hereby authorized to accept payment for rights by shareholders in excess of the size of the rights offer and thereby to accordingly increase the size of the rights offer by the amount of excess shares paid for”

iv. “That the Directors be and are hereby authorized to do all such other things, including but not limited to the appointment of professional advisers, execution of all transaction documents, processing of all regulatory approvals to the issue to give effect to this resolution”.

*The reason for special resolution number 9 is to raise additional capital to fund the Company’s growth plans and restructure its finances.*

### Proxy

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of the shareholder and such a proxy need not be a member of the Company. A proxy form is enclosed and if it is to be valid for the purposes of this meeting, it must be completed and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Dated this 28th day of April, 2015

By Order of the Board



**Godwin A Samuel, Esq.,**  
Company Secretary  
FRC/2013/NBA/00000002608

**Registered Office**  
UAC House  
1-5 Odunlami Street  
Lagos



# Notes

## **Dividend**

In view of the results, the Directors have recommended the payment of a dividend of 50 kobo per ordinary share to members. The resolution to this effect will be put to the meeting for approval by members.

## **Dividend Warrants**

If payment of the dividend is approved, the warrants will be posted on Wednesday 2nd September 2015, to shareholders whose names are on the Register of Members at the close of business on Friday 7th August 2015.

## **Closure of Register and Transfer Books**

The Register of Members and Transfer Books will be closed on Monday 10th August to Friday 14th August 2015 (both dates inclusive) for the purposes of dividend payment. .

## **Audit Committee**

The Audit Committee consisted of three (3) Shareholders and three (3) Directors during the year in review. Any member may nominate a shareholder as a member of the Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the Annual General Meeting. Nominators should please submit a brief profile of their nominees to the Company Secretary along with the nomination forms for publication in the annual report for the information of all shareholders.

## **Unclaimed Share Certificates and Dividend Warrants**

Shareholders are hereby informed that a sizeable quantity of share certificates and dividend warrants have been returned to the Registrars as unclaimed. Some dividend warrants have neither been presented to the Bank for payment nor to the Registrar for revalidation. The list of Unclaimed dividends has been uploaded on the Company's website. Affected members are by this notice please advised to contact the Registrars, (Africa Prudential Registrars Plc) or call at their Office at 220B, Ikorodu Road, Palmgrove, Lagos during normal business hours or call them on 01-4606460.

## **Annual Report & Unclaimed Dividend List**

Shareholders who wish to receive electronic copies of the Annual Report & Accounts and Unclaimed Dividends list should please send their names and e-mail addresses to the Registrars at [info@africaprudentialregistrars.com](mailto:info@africaprudentialregistrars.com).

## **E-Dividend/Bonus**

Pursuant to the directive of the Securities and Exchange Commission notice is hereby given to all shareholders to open bank accounts, stock-broking accounts and CSCS accounts for the purpose of e-dividend/bonus. A form is attached to this annual report for completion by shareholders to furnish the particulars of these accounts to the Registrar (Africa Prudential Registrars Plc) as soon as possible.

## Board of Directors, Professional Advisers etc

Board of Directors	
Mr. Larry E. Ettah	Non-Executive Chairman
Mr. Hakeem O. Ogunniran	Managing Director/CEO
Mrs. Folasade O. Ogunde	Finance Director
Mrs. Halima T. Alao	Non-Executive Director
Prof Okon A Ansa	Non-Executive Director
Mr. Adekunle Awojobi (alternate: Mr Babajide Fetuga)	Non-Executive Director
Mr. Abdul A. Bello	Non-Executive Director

## Record of Director's attendance at Board Meetings

In accordance with section 258 (2) of the Companies and Allied Matters Act, Cap C20 LFN 2004, the record of Directors' attendance at Board Meetings during the year is available for inspection at this Annual General Meeting.

## Company Secretary

Godwin Abimbola Samuel, Esq.

## Registrars

Africa Prudential Registrars Plc  
220B, Ikorodu Road  
Palmgrove, Lagos

## Registered Office and Transfer Office

UAC House  
1-5 Odunlami Street  
Lagos

## External Auditor

PricewaterhouseCoopers  
Chartered Accountants  
252E Muri Okunola Street  
Victoria Island  
Lagos

A motion will be moved at the meeting to appoint a new external auditor to replace PricewaterhouseCoopers who have reached the regulatory tenure limit.



## YOUR PERSONAL PARADISE IN CALABAR

A brainchild of the partnership between the Cross River State Government and UPDC, this exceptional masterpiece was created strictly with exclusivity in mind. Built to blend in with nature, Golf Estate has everything you need already provided for within its walls.

With construction already underway and property sales in full swing, your own little world awaits you in Golf Estate Calabar.

### AVAILABLE UNITS

- 5 Bedroom Detached Houses with Servants' Quarters
- 5 Bedroom Bungalows with Servants' Quarters
- 4 Bedroom Detached Houses with Servants' Quarters
- 4 Bedroom Bungalows with Servants' Quarters
- 3 Bedroom Bungalows with Servants' Quarters
- 3 Bedroom Flats with Servants' Quarters



**FLEXIBLE PAYMENT  
PLANS AVAILABLE.**

CALL:

Rajuno - 07043050139

Uche - 07045988791

Richard - 07043051021

Idongesit - 07045507894

Titilayo - 07043050195

For more information, visit [www.updcplc.com](http://www.updcplc.com)

**GOLF  
ESTATE**

Summit Hills, Off Murtala Mohammed  
Highway, Calabar Municipality,  
Cross River State.



**updc**  
KCS/1985  
ucrcn property development company plc  
...building for sustainable value

## OUR VISION

To be the No. 1 real estate company in our chosen markets, offering exceptional products and services to customers

## OUR MISSION

To grow our top-line at twice the rate of Nigeria's GDP growth and achieve an average EBIT of 24%

“ Alone we can do so little; together we can do so much. ”  
Helen Keller

## Performance highlights

	2014 N'000	2013 N'000	% change Inc/ (dec)
Revenue	11,700,506	11,298,899	4%
Profit before taxation and non-controlling interests	3,540,525	3,707,533	(5%)
Taxation	48,552	(552,114)	109%
Total comprehensive income	3,589,077	3,155,419	14%
Non-controlling interests	(12,620)	(38,369)	(67%)
Profit attributable to equity holders of the company	3,601,697	3,193,788	13%
Shareholders' funds	36,132,780	33,493,666	8%
Earnings per share (kobo)	210	186	13%
Net assets per share (Naira)	21	24	13%
Market price per share as at 31st December (Naira)	9.50	19.00	(50%)
Market capitalization	13,062,500	26,125,000	(50%)

## UPDC profile

UACN Property Development Company (UPDC) operated first as a division of UAC of Nigeria Plc until 1997, when the business was incorporated as a public limited liability company and subsequently listed on the Nigerian Stock Exchange in 1998.

UPDC's strategic thrust is the development and management of luxury, premium and classic apartments in selected cities in Nigeria. We approach property planning from the customers' perspective to create comfortable living/working environments.

Our current portfolio includes residential and commercial properties in Lagos (Cameron Green, Ikoyi; Metro Gardens, Lekki; Grandville, GRA – Ikeja; KPMG Towers, VI etc.), Abuja (Salatu Royal Estate, Wuse II; Emerald Court, Apo; Metro City, Apo; Securities & Exchange Commission Office, Central Business District etc.) and Port Harcourt (Vintage Gardens, NAFF Estate).

We are committed to managing our short to long term environmental responsibilities both towards the communities in which we operate and towards future generations.

Our business model is premised on project development and delivery through direct investment and joint ventures.

### Ongoing Projects

- Festival Mall, Amuwo Odofin – Lagos
- The Residences @ Festac – Lagos
- Olive Court, Agodi GRA – Ibadan
- The Pinnacle, Maitama – Abuja
- Pineville, Asaba
- Golf Estate, Calabar

### Upcoming Projects

- Victoria Mall Plaza Phase (Multi-storey Car Park and Event Centre), Victoria Island – Lagos
- James Pinnock Place, Lekki – Lagos
- Alexander Miller Apartments, Lekki – Lagos

### Contact Details

UAC House (3rd & 4th Floors)  
1-5 Odunlami Street, P. O. Box 156, Lagos  
Telephone: +234 1 791 9010; +234 1 291 1792  
Customer Care Line: +234 1 738 9363  
Email: [careline@updcplc.com](mailto:careline@updcplc.com); Web Address: [www.updcplc.com](http://www.updcplc.com)

# WHERE IT ALL HAPPENS



Over 10,000m of Lettable Space Available

Located in the vicinity of the business and residential hub of Festac Town, Festival Mall will bring entertainment and shopping convenience to the teeming populace of Lagos especially the residents of Festac Town, Amuwo Odofin, Mile 2, Satellite Town, Okota, Isolo etc.

With Golden Tulip Hotel, Silverbird cinemas and Shoprite already scheduled to be part of this development, the Festival Mall will boast a wide range of shops, stores and outlets to keep visitors occupied.

Flexible payment plans are available.



**Festival**  
*Mall*

**updc**  
RC321592

uacn property development company plc

...building for sustainable value

## FOR FURTHER ENQUIRIES

Call: Titilayo-07043050195, Broll - 012701894

For more information, visit [www.updcplc.com](http://www.updcplc.com)

## Board of directors



**Mr. Larry Ettah, 51**

Mr Ettah started his career as Management Trainee in UAC of Nigeria Plc in 1988. He has held several senior management positions in UAC of Nigeria Plc and was appointed an Executive Director of UAC of Nigeria Plc in 2004. He became the Group Managing Director/Chief Executive Officer of UAC of Nigeria Plc on 1st January 2007.

He holds B.Sc. degree in Industrial Chemistry (1985); MBA (1988) both from University of Benin. He is a graduate of the renowned Executive Programme of Ross School of Business, University of Michigan. He also has attended Executive Education Programmes at Graduate School of Business, Stanford University, Harvard Business School, USA and IMD Lausanne, Switzerland. He is the President of Nigeria Employers Consultative Association (NECA). He joined the Board in 2007. He is the Non-Executive Chairman of the Board.



**Mr. Hakeem D Ogunniran, 52**

Mr. Ogunniran, Lawyer, Chartered Secretary and Fellow of the Chartered Institute of Arbitrators, holds LL.B, LL.M, and MBA degrees of the University of Lagos. He was called

to the Nigerian Bar in 1985. He was formerly a Law Lecturer at the University of Lagos. He joined UAC of Nigeria Plc. as Manager, Legal Services in 1995 and was later appointed as Western Area Manager and Marketing Manager respectively of GBO/MDS Division of UACN. He was the Divisional Managing Director of MDS Logistics Division of UACN and a Past President and Chairman of Council of the Institute of Chartered Secretaries and Administrators of Nigeria. A former Fulbright Scholar at Yale School, he has attended various Senior Management and Leadership programmes at Ashridge Management College, UK, Cranfield University, Harvard Business School and London Business School.

He was appointed the Managing Director of the Company in January, 2010.



**Mrs. Halima T Alao, 58**

Mrs Alao graduated with B.Sc (Hons) and M.Sc (Architecture) from Ahmadu Bello University, Zaria. She also holds a Master Degree in Public Administration from the University of Ilorin.

She is an alumnus of the Advanced Management and Leadership Programme of Oxford University Business School. She is a member of the Nigeria Institute of Architects. She served the nation variously as Sole Administrator/Chairman, Ilorin South Local Government, Permanent Secretary, Kwara State Ministry of Land & Housing, Permanent Secretary, Kwara State Ministry of Works and Transport, Executive Secretary, Kwara State Commission for Women, Honourable Minister of State for Education, Minister of State for Health, and Honourable Minister of Environment, Housing and Urban Development. She is the director of Tham Girl-Child Foundation.

She joined the Board in January 2010 as a Non-Executive Director.



**Mr. Abdul Akhor Bello, 54**

Mr. Bello is a fellow of the Institute of Chartered Accountants of Nigeria. He has attended leadership programmes at Cranfield University, The Wharton

School of the University of Pennsylvania and Harvard Business School. He is an alumnus of Oxford University's Advanced Management and Leadership Programme. Mr. Bello worked variously as Chief Accountant, Inlaks Plc; Chief Accountant and Financial Controller, Grand Cereals Limited; Senior Group Accountant, UACN; Finance Director & Company Secretary and later Managing Director of CAP Plc. He is also a Non-Executive Director of Skye Bank Plc. He was the Managing Director of the company from November 2007 until his elevation to the Board of UACN Plc as Chief Financial Officer in January 2010. He is a Non-Executive Director of the company.



**Mrs. Folasade O Ogunde, 52**

Mrs. Ogunde, graduated with a B.Sc (Hons) degree in Economics from University of Ife (now Obafemi Awolowo University) Ile-Ife. She is a fellow of the Institute of Chartered

Accountants of Nigeria (ICAN) and holds the FMP certification from the International Facility Management Association (IFMA). She started her professional career with the firm of Deloitte Haskins & Sells (Chartered Accountants), where she gained accounting and audit experience, had a stint in treasury management with a finance company before joining UAC of Nigeria Plc in 1997. She has held such positions as Management Accountant, UAC Foods, Divisional Commercial Director, Mr Bigg's (now UAC Restaurants) and Group Treasurer, UAC of Nigeria Plc. She has attended senior management and leadership programmes at Ashridge Management College, UK; Cranfield University, UK and Harvard Business School, USA.

She was appointed as the Finance Director of the Company in 2005.



**Mr Adekunle O Awojobi, 48**

Mr. Awojobi is a Fellow of the Institute of Chartered Accountants of Nigeria, Nigeria Institute of Management, Certified Fraud examiner and

Member Institute of Internal Auditors. He also holds a Bachelors of Science degree in Economics with First Class Honours from Ogun State University (now Olabisi Onabanjo University) Ago-Iwoye, Ogun State. Prior to joining FBN Trustees Limited in 2002, he was an Audit senior with KPMG audit (1996 - 1997) and Internal Auditor Carnaud Metalbox (Now Nampak) Nigeria Plc (2000 - 2002).

He joined First Trustees in 2002 as Manager, Operations and was later promoted to Senior Manager, Operations based on his outstanding performance. He was then moved to head the Capital Markets & Projects Unit of Investment Department. In February 2007, he was appointed Head, Operations & IT and promoted to Assistant General Manager. In August 2012, he was appointed the Managing Director, the position he holds till date. He has attended various courses within and outside Nigeria. He was alternate Director for several years before his appointment as a substantive Non-Executive Director on 17th December 2012.



**Prof. Okon A. Ansa, 63**

Professor Okon A. Ansa was educated at King's College, Lagos and at Ahmadu Bello University, Zaria where he graduated with a B.Sc (Hons)

in Agriculture in 1974 and an M.Sc in Crop Protection in 1977. He obtained a Ph.D in Plant Pathology from University of California, Davis, California, USA. He is a seasoned administrator who has served as Head of academic departments and units in Universities at Zaria, Calabar and Uyo. He was Dean of the Faculty of Agriculture and later Director of Academic Planning before his elevation to the position of Deputy Vice-Chancellor at the University of Uyo.

He has served as Commissioner for Agriculture and Commissioner for Commerce and Industries in Akwa Ibom State. He has also held a number of positions in corporate Nigeria as Chairman, Akwa Palm Industries Limited; Member, Board of ADC Airlines; Chairman, Ibom Power Company Limited; Member, Akwa Ibom Industrial and Investments Promotion Council. Prof. Okon Ansa holds the national honour of Officer of the Order of the Federal Republic (OFR).

He joined the board as a Non-Executive Director on March 26th, 2013.



**Chairman**

## Chairman's letter to stakeholders

**Fellow shareholders, invited guests, gentlemen of the press, distinguished ladies and gentlemen, it gives me pleasure to welcome you all to the 17th Annual General Meeting (AGM) of our Company, UACN Property Development Company (UPDC) Plc holding today September 01, 2015, at the Arthur Mbanefo Hall, Golden Tulip Festac Hotel, Amuwo Odofin, Lagos.**

Please permit me to do a quick review of the global and national business environments, within which our Company operated in 2014, before presenting to you the Annual Report and Financial Statements for the year ended 31st December 2014.

### **The Global Economy**

The global growth rate in 2014 was 2.9% compared to the 3.2% forecast by the International Monetary Fund (IMF) in its World Economic Outlook (WEO) report. The protracted recession in the Euro zone coupled with the structural bottlenecks in infrastructure, labour markets and investments in many emerging markets accounted for the global slowdown.

Instability in the global financial market became marked with longer term interest rate hike and financial market volatility in the advanced economies. As the Euro zone sovereign debt crisis unfolded, emerging market economies bore the brunt as increases in interest rate and asset price volatility in the advanced economies combined with weakened domestic demand heralded capital outflows, equity price decline, rising local yields and currency depreciation.

In the second half of the year, the global crude oil prices virtually collapsed as the impact of shale oil discovered in the United States manifested with negative consequences on the international price of crude oil.

### **The Nigerian Economy**

According to the CBN's statistics, Nigeria's GDP grew by 6.35% in 2014. The Non-oil sector of the economy remained the principal driver of the economic activities during the period. The nation's GDP rebasing exercise confirmed Nigeria as the largest economy in Africa with a GDP of \$509.97 billion (N80.22 trillion). The GDP rebasing further indicated that Nigeria is one of the least leveraged countries in the world, with a revised Debt-to-GDP ratio of 11% from 20%.

The growth rate of the non-oil sector stood at 7.51% in Q4 2014, lower than 8.46% recorded in the corresponding period of 2013, but higher than 6.71% in Q2 2014. The Non-oil sector growth was driven by increased activities in crop production, textile, telecommunications, apparels & footwear and real estate sectors.

The oil sector's supply-related disruptions continued during the year. The macro headwinds arising from crude oil price shocks made almost all economic indices head southward with exports down by 12.30%, revenue down by 45.10%, reserves down by 20.07% and FDI down by 17.91%. Our foreign reserves declined from US\$42.85bn at the end of December 2013 to US\$34.25bn by the end of December 2014.

Despite the initial insistence of the CBN to defend the value of the Naira, the demand pressure at the forex market remained unabated thereby leaving the CBN with no option than to devalue the Naira by 7.74% thus moving the mid-point of the foreign exchange rate from N155 for one US Dollar (US\$1) with a band of +/-3% to N168 for one US Dollar (US\$1) with a band of +/-5%.

The macro headwinds responsible for the eventual devaluation of the Naira were the level of demand from the foreign portfolio investors due to the declining price of crude oil and the negative impact it had on the external reserves as well as the perceived upward swing in country risk.

The capital market witnessed free fall of equities prices throughout the year. The NSE index was down by 14.70% as investors lost about N1.6trn in value. Inflation however stabilized at 8% as at December 2014.

### **The Nigerian Real Estate Industry**

In recent years, foreign private equity firms have invested millions of dollars in the Nigerian Real Estate market, especially in the commercial and hospitality sectors, evidenced by increase in the construction of numerous shopping malls with at least 18 medium sized malls constructed / under construction around the country.

This interest in the Nigerian market is as a result of huge demand buoyed by increasing urban population and changing shopping culture among the expanding middle class.

With an estimated housing deficit of 17 million units in the country, the World Bank has estimated that it would cost as much as N59.50 trillion to bridge the housing gap. This huge deficit figure may also be viewed as a vast and untapped investment potential of the country's real estate sector.

The real estate market is gradually rebounding and has experienced reasonable growth and performance in the last few years. This performance is largely driven by the re-emergence of the Nigerian middle-class and the increasing demand for decent residential and commercial accommodation by high net-worth individuals, corporate organizations and key players in the retail segment of the economy.

Growth in the sector has been enhanced by the entrance and expansion of new and existing multinational companies in such sectors as ICT, Oil & Gas, Retail merchandising and Finance. The upturn in economic activity; experienced from Q4 2011 to date, has led to an increase in demand and supply for commercial and high-

end residential developments, particularly in the key cities of Abuja, Lagos and Port Harcourt.

The Nigerian market remains attractive as there are significant untapped potentials in the residential segment, and numerous opportunities in the hospitality, retail, commercial and industrial segments of the market in the near term.

However, the challenges being faced by the industry in terms of title uncertainties, high cost of funding, inadequate mortgage financing and poor infrastructure are expected to persist in the medium term and will continue to prevent effective demand in the low/medium residential market segments.

### **Our People**

The Company's long-term success is dependent upon the diversity, dedication and commitment of all our people. We have invested in the development of succession plans and talent development. We have ensured that our people share a common set of values captured in our Code of Business Ethics. We have further made good progress in Health and Safety area both in terms of safe working practices on our project sites and the reporting of performance.

### **Review of Operations**

Despite the challenging business environment, the Company continued its ongoing developments in 2014 and commenced some new ones.

Phase 1 of Vintage Gardens, Port Harcourt, comprising of 54 units of mixed residential apartments was completed in 2014. The Port Harcourt real estate market remained soft throughout the year which did not encourage the commencement of Phase 2 of the project. The market picked up dramatically in the first quarter of 2015 and the outstanding units have since been sold.

In the premium residential category, we commenced construction work on the 50-unit Olive Court, Agodi Ibadan, a joint venture with the Oyo State Government and the 20-unit Pineville in Asaba. The projects are being executed in phases and we expect to deliver Olive Court Phase 1 & 2 and the Pineville this year.

The refurbishment of Festac Block B into 192 residential apartments (named The Residences) started in September 2014; 33 units were completed in 2014. Work is at an advanced stage of completion and we plan to deliver the remaining units in the last quarter of 2015.

Construction work also commenced on Golf Estate, Calabar, towards the end of 2014. This is a 200-unit residential development located at Summit Hills, Calabar and being executed in joint venture with the Cross River State government. The project is planned for phased completion over 3 years.

In the luxury residential category, work is far advanced on the Pinnacle Apartments, Maitama, Abuja. Finishing works are currently in progress and we expect to deliver the estate to buyers before the end of 2015.

On the retail side of business, our Festival Mall project is at an advanced stage of completion and finishing works and fitting-out have commenced on the shops. Beneficial Occupation (BO) has been given to anchor tenant, Shoprite, Silverbird Cinemas and key line customers. The mall is 96% pre-let and scheduled for commissioning in the 3rd quarter of 2015.

However, the performance of our hotel in 2014 fell below 2013 in terms of occupancy and revenue; even though gross profit and PBT were relatively better. The opening of Festival Mall and completion of the Block B apartments (The Residences) are complementary deliverables expected to drive more traffic to the hotel and improve its performance in the foreseeable future. The completion by Government of ongoing road and rail works in the neighbourhood of the hotel will be very helpful.

### **Financial Performance and Dividend**

The Company posted revenue of N10.08b (Group N11.70b) as against 2013 revenue of N9.33b (Group N11.29b).

Profit before taxation (PBT) was N2.04b (Group N3.54b) against N4.38b (Group N3.71b) in 2013.

In the light of these results, the Board of Directors hereby recommends for your consideration and approval a dividend of N859,375,000 representing 50 kobo per ordinary share held by members as at August 14, 2015.

### **Outlook for 2015**

Political uncertainties of late 2014 and the first half of 2015 have abated. There was euphoria over the success of the general elections and the new government anchored on a “change” platform which promised to tackle the ills of corruption, insecurity and economic mis-management. The new government needs to steadily move to address the expectations of the citizenry.

The macro-economic indicators are negative –external reserves are down; headline inflation has increased to 9% and the equities market has experienced a free fall with the NSE All Share Index declining by 3.4% compared with 2014. The Naira exchange rate to the USD has been volatile and worsened by more than 20% in the first half of 2015 and the CBN’s interventions have generally been ineffective. Interest rates have remained high with bank lending and mortgage rates as high as 28% for certain classes of borrowers.

Analysts are predicting a further depreciation in the value of the Naira, increase in the debt position of the FGN, further decline in oil price and revenue and a spike in inflation rate to 12% by year end. The projected GDP growth rate of 5% for the year has therefore been revised down to 3.8%. This may be further hampered by the lingering challenges of insecurity, vandalism, oil theft and shortage of petroleum products.

The performance of our company has been less than satisfactory, a reflection of the general macro challenges confronting our industry. Turnover and profit performance for both the company and the hotel fell below last year. The Ebola crisis of 2014, socio-political uncertainties of 2015 and delayed execution of government road works and ancillary infrastructure upgrade in the Festac/Mile 2 vicinity have impacted the hotel business negatively, with annual room occupancy declining from an average of 44% in 2013 to 31% (Jan-June 2015), short of projected levels.

A decision was taken to impair the N2.08b equity value of UPDC's investment in the hotel. A professional valuation of the hotel is currently underway and expected to be concluded before end of September 2015. Any further adjustment arising from the valuation exercise will be passed into 2015 accounts.

Our expectation is that the opening of Festival Mall and completion of The Residences (Block B) will have a positive rub-off impact on the hotel's performance in future. In that event, the impairment taken at this time may be reversed in part or fully, premised on market valuations.

The Board and Management of UPDC remain focused on long term value creation and we have put in place strategies to mitigate the envisaged risks as well as take advantage of emerging opportunities in the market place.

Our strategy for 2015 and beyond include deleveraging the business through equity capital injection, disposal of the surplus stake currently held in UPDC REIT (21.5%) to generate liquidity and re-creating our products portfolio to include more commercial and retail offerings which have proven to be more resilient revenue sources in periods of depression.

### **Appreciation**

I wish to thank you, our esteemed Shareholders for your unwavering interest in our Company.

I also thank all our customers, consultants, contractors and other stakeholders for your continuing support.

Finally, I thank my colleagues on the Board for providing the required leadership and direction for the Company.

I thank you all for your attention.



**Larry Ephraim Ettah**

*Chairman*

FRC/2013/IODN/00000002692

# Directors' report

## Principal activities

Principal activities of the company are to acquire, develop, sell and manage high quality, serviced commercial & residential accommodation and retail space.

## Operating results

	2014	2013	% change Inc/(dec)
	N'000	N'000	
Revenue	11,700,506	11,298,899	4%
Profit before taxation	3,540,525	3,707,533	(5%)
Taxation	48,552	(552,114)	109%
Profit after taxation before non-controlling interests	3,589,077	3,155,419	14%
Non-controlling interests	(12,620)	(38,369)	
Profit after taxation and non controlling interests	3,601,697	3,193,788	13%
Dividend proposed	859,375	962,500	(11%)

## Dividend

The directors recommend to the shareholders, the declaration of a dividend of N859,375,000, representing 50 kobo per share.

## Directors' interests in shares

	31 December 2014		31 December 2013	
	Direct holdings	In-direct holdings	Direct holdings	In-direct holdings
Mr. Larry Ephraim Ettah	2,861,023	790,625,000	2,849,783	632,500,000
Mr. Hakeem Dele Ogunniran	250,781	-	200,625	-
Mrs. Folasade Oluwatoyin Ogunde	183,750	-	182,950	-
Mr. Abdul Akhor Bello	156,250	-	125,000	-
Mr. Adekunle Olakitan Awojobi	-	148,602,252	-	153,393,802
Mrs. Halima Tayo Alao	39,493	-	31,593	-
Prof. Okon A. Ansa	-	-	-	-
	<b>3,491,297</b>	<b>939,227,252</b>	<b>3,389,953</b>	<b>785,893,802</b>

## Analysis of Shareholding

	Members shareholding		
	Shareholders number	Shareholding number	Shareholding percent
Directors and connected persons	7	3,491,297	0%
UAC of Nigeria Plc	1	790,625,000	46%
FBN Trustees Nigeria Ltd	1	148,602,252	9%
Individuals	25,195	438,861,172	26%
Other corporate bodies	2,697	337,170,274	20%
	27,901	1,718,749,995	100%

## Corporate Social Responsibility (CSR) Report

UPDC, as a member of the Nigerian Conservation Foundation (NCF) co-sponsored the 2014 “Walk for Nature” which took place on 18th October, 2014. The event whose theme was “Small Island Development States” was very colourful and involved students from various schools. Walk for Nature is an annual event organized by the Lagos State Ministry of Environment in collaboration with the NCF.

## Donations & Sponsorships

The following donations and sponsorships were made during the year:

	N
The Nigerian Institute of Estate Surveyors and Valuers (Rivers State Branch)	50,000
National Infrastructure Building Conference	250,000
International Federation of Women Lawyers (FIDA) Nigeria (Lagos State Branch)	250,000
NIESV Annual Conference	500,000
Association of Professional Women Engineers	150,000
PSRG/Richardson HSSE Forum	300,000
Lagos State Ministry of Physical Development	500,000
Oyo State Economic Summit	1,000,000
Nigeria British Chamber of Commerce (Centenary Celebration)	200,000
	<b>3,200,000</b>

## Employment policy, employee welfare, safety & environmental issues

It is a pivotal policy of the Company that there is no discrimination in the employment, training and career development of all categories of employees in terms of gender, race, ethnicity, tribe, religion or creed in compliance with constitutional provisions. Hence, our company has a diverse and inclusive workforce.

Being an equal opportunity company, UPDC is committed to:

- Encouraging and assisting each employee develop his/her ability in his/ her chosen career
- Recognizing the freedom of employees to form and/or join responsible and truly representative Trade Unions or Associations.

### **Health and Safety**

It is our policy to ensure that our employees work in safe and clean environments. Hence, our Company has provided at the corporate head office, estates and project sites very conducive and safe work environments. The Company enforces strict adherence to safety rules and practices by periodically training its work force on safety, environmental, social and health issues. We also conduct free basic health screening for our employees from time to time.

### **HIV/AIDS**

Our Company maintains occupational health by providing basic HIV/AIDS awareness training. We do not discriminate against any employee on the basis of his/her HIV status. The HIV status and medical records of individuals are kept strictly confidential.

### **Welfare**

The Company provides free medical care for employees and their immediate families, as applicable under the UACN Medical scheme.

Work is organized in flexible manner to enable our employees enjoy work-life balance. This enables employees meet up with their social and family obligations. Employees also enjoy subsidized lunch. The Company operates a crèche on a non-profit basis to assist nursing mothers. Male employees also enjoy a week's paternity leave when their pregnant wives deliver their babies. Closed User Group (CUG) phone facilities assigned to employees have also been extended to cover Managers' spouses for ease of communication while at work.

### **Relations with employees and internal management structure**

Our employees are fully involved in strategy formulation and execution. This fosters business plan ownership and commitment at all levels. Management and Staff Retreats, Joint Consultative Committee (JCC) Meetings, Business Review Meetings, Village Meetings, Project Integration Meetings and Leadership Team Meetings are held for cross-exchange of ideas and critical business information.

### **Employee recognition and incentive scheme**

Management openly acknowledges and recognizes employees who have performed exceptionally well in the course of each year. Cash gifts are often awarded for individual and team performances. Management has also established an incentive scheme for Project Managers upon successful completion of projects within specified time and budget. A Sales Incentive Scheme was recently put in place and covers all employees with UPDC and across the UACN group. All these initiatives boost employee morale which in turn impacts productivity.

### **Employee engagement, development and training**

Our policy recognizes human resources as the most important resource of the organization. Retention and motivation of our skilled work force is achieved through systematic training and development. Our Company provides general, professional and leadership training as well as tuition reimbursement support to employees that undertake approved self-development and professional development programmes. We pride ourselves as an organization that encourages learning-by-doing through planned on-the-job coaching and mentoring schemes thereby paving the way for career advancement opportunities for our employees.

# Corporate governance report

By the Articles of Association of the Company (“the Articles”), the Board is responsible for controlling and managing the business of the Company. It may exercise such powers of the Company as are not by statute or the Articles to be exercised by the Company in General Meeting. We conduct our business in full compliance with the laws and regulations of Nigeria and our Code of Business Principles and Ethics.

Under the UPDC Board Charter “the primary objective of the Board of Directors (‘Board’) of UACN property Development Company Plc (UPDC) is to build long-term shareholder value with due regard to other stakeholder interests. It does this by setting strategic direction and context, such as UPDC’s mission, vision and core values, policies and objectives and focusing on issues critical for its successful execution such as staffing, executive training, succession planning, performance and risk management”.

## **Composition of the Board of Directors**

The Board of UPDC Plc is made up of five Non-Executive Directors and two Executive Directors.

All the directors have access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, all Directors are entitled to take advice from external professionals in areas where such advice will improve the quality of their contributions to Board deliberations and decision-making process.

## **Separation of the positions of Chairman and Managing Director**

The position of the Chairman is distinct from that of the Managing Director. The Chairman of the Board is Mr Larry Ephraim Ettah, who is a Non-Executive Director, while the Managing Director is Mr Hakeem Dele Ogunniran. The other Executive Director is Mrs Folasade Oluwatoyin Ogunde, the Finance Director. Mrs Halima Tayo Alao is an independent Director. The other Non-Executive Directors are Mr Abdul Akhor Bello, Mr Adekunle O Awojobi and Prof. Okon A Ansa.

## **The Roles and Responsibilities of the Board**

The following are the matters reserved for the Board of Directors of the Company:

- a) Formulation of policies, strategy and overseeing the management and conduct of the business.
- b) Formulation and management of risk management framework.
- c) Succession planning and the appointment, training, remuneration and replacement of Board members and senior management.
- d) Overseeing the effectiveness and adequacy of internal control systems.
- e) Overseeing the maintenance of the Company’s communication and information dissemination policy.
- f) Performance appraisal and compensation of board members and senior executives.
- g) Ensuring effective communication with shareholders, stakeholders, the investing public.
- h) Ensuring the integrity of financial controls and reports.
- i) Ensuring that ethical standards are maintained.

- j) Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and Code of Corporate Governance by the Company and its Business Units.
- k) Definition of the scope of delegated authority to Board Committees and management and their accountabilities.
- l) Definition of the scope of corporate social responsibility through the approval of relevant policies.
- m) Approval and enforcement of a Code of ethics and business practices for the Company and Code of conduct for Directors.

### **Board Appointment**

The process of appointing Directors involves a declaration of a vacancy at a Board Meeting; the sourcing of the curriculum vitae of suitable candidates depending on the required skills, competence and experience at any particular time; and the reference of the curriculum vitae to the Risk & Governance Committee for necessary background checks, informal interviews/interaction and a recommendation for the approval of the Board of Directors. Director appointed by the Board is presented to the next Annual General Meeting of the members of the Company for election.

### **Directors' Induction and Training**

Every newly appointed Director receives a comprehensive letter of appointment detailing the terms of reference of the Board and its Committees, the Board structure, schedule of Board meetings, his entitlements and demand on his time as a result of the appointment. The letter of appointment is accompanied with the Memorandum and Articles of Association of the Company, the previous Annual Report & Accounts, the Code of Corporate Governance for Public Companies in Nigeria, UACN Code of Business Ethics, and other documents, policies, processes and procedures that help the Director to gain an understanding of the Company, its history, culture, core values, governance framework, business principles, people, operations, brands, projects, processes and plans. A new Director undergoes an induction/ orientation process whereby he is introduced to the members of the Board of Directors and leadership teams of UPDC, Corporate Head Office and Subsidiary Companies. Project visits are also arranged for the new Director to get acquainted with business operations. All the Directors attended training on Enterprise Risk Management (ERM) and International Financial Reporting Standards (IFRS) during the financial year. All the Directors have recently attended UAC Group Board Retreat focused on board effectiveness, strategy and recent developments in corporate governance facilitated by a faculty from the International Institute for Management Development (IMD), based in Switzerland.

## Board Meetings

The Board met six (6) times during the year. The following is the list of the directors and their attendance at the Board meetings:

DIRECTORS	24/3/14	29/4/14	4/6/14	31/7/14	28/10/14	2/12/14
Mr. Larry E Ettah	P	P	P	P	P	P
Mr Hakeem D Ogunniran	P	P	P	P	P	P
Mr. Abdul A Bello	P	P	P	P	P	P
Mrs. Folasade O Ogunde	P	P	P	P	P	P
Mr. Adekunle Awojobi	P	P	P	P	P	P
Mrs. Halima Tayo Alao	P	P	P	P	P	P
Prof. Okon A Ansa	P	P	P	P	AWA	P

### Key:

P = Present

AWA = Absent With Apology

## Board Evaluation

A Board performance evaluation was undertaken in 2014. The Board was pleased with the performance of its team, board committees and individual directors. Necessary feedbacks were given to individual directors arising from the exercise.

## Composition of Board Committees

The Board functioned through the Risk & Governance Committee and the Finance & Projects Committee. All Board Committees make recommendations for approval by the full Board.

### 1) The Risk & Governance Committee

The Committee is chaired by Mr Kunle Awojobi, a Non-Executive Director, and made up of one other Non-Executive director, the Managing Director and Finance Director.

#### The Terms of Reference of the Committee

- i) Oversees risk management within the group and is responsible for developing and monitoring an enterprise risk management framework for identifying, measuring, monitoring and controlling risks in the Company and group.
- ii) Monitors and reviews the effectiveness of the Company's annual audit review in the context of the Company's overall risk management system.
- iii) Reviews and assesses the annual internal and external audit plans.
- iv) Reviews the recommendations of the Internal Auditor and the External Auditor and management's responses thereto and monitors the implementation of audit comments by management and makes recommendations to the Board.

- v) In line with the UACN group policy gives consideration to succession planning for directors in the course of its work taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future.
- vi) In line with the UACN group policy, determines and agrees with the Board the framework or policy for the remuneration of the Company's Chief Executive, Chairman, the Executive Directors and members of the executive management team as it is designated to consider. The remuneration of the non-executive directors is a matter for the Chairman and the Executive members of the Board. No director or manager is involved in any decision as to his or her own remuneration.
- vii) Annually evaluates and reports to the Board on the performance and effectiveness of the Board and Board Committees to facilitate the directors fulfilling their responsibilities in a manner that serves the best interests of the Company's shareholders.
- viii) Assists the Chairman of the Board in leading the Board's annual review of the performance of all Directors.
- ix) Annually reviews the composition of Board committees and present recommendations for committee memberships to the Board Chairman as needed.
- x) Develops, periodically reviews and recommends to the Board appropriate revisions to the Company's corporate governance framework, including its Memorandum and Articles of Association, Bye-laws, and Corporate Governance Guidelines.
- xi) Monitors compliance by the Company with the laws and regulations in force and the Corporate Governance Code(s).
- xii) Regularly reviews and makes recommendations about changes to Board and Board Committee charters.
- xiii) Annually reviews the Company's policies and programs that relate to corporate governance, corporate citizenship, including environmental sustainability, corporate social responsibility, etc and makes recommendations to the Board.
- xiv) In line with the UACN group policy it is responsible for the continuing education of board members.

### Committee's Meetings

The Risk & Governance Committee met three (3) times during the year. The following table shows the meetings and the attendance of the committee members at such meetings:

DIRECTORS	9/3/2014	31/7/14	20/10/14
Mr Hakeem D Ogunniran	P	P	P
Mrs. Folasade O Ogunde	p	P	P
Mr. Adekunle Awojobi	P	P	P
Prof. Okon A Ansa	P	P	P

Key : P – Present

## 2) Finance & Projects Committee

The Finance and Projects Committee is chaired by Mr Abdul Bello, a Non-Executive Director and made up of two other Non-executive directors, the Managing Director and the Finance Director.

### The Terms of Reference of the Committee

- i) To assist the Board in making investment and capital expenditure decisions in pursuance of strategic objectives. This entails the following sub-responsibilities:
  - a) To review and evaluate management requests for approval of capital expenditure regarding the purchase, development and construction of projects and make appropriate recommendations to the Board.
  - b) To review, evaluate and make recommendations to the Board for debt and other financing alternatives for projects.
  - c) To monitor and review justification for project costs overruns and requests for supplementary budgets.
  - d) To report to the Board on its activities, recommendations and decisions
- ii) To assist the Board satisfy itself about the validity of technical and market prospects for projects and investment initiatives. This entails the following sub-responsibilities:
  - a) To challenge and obtain necessary assurances from management and contractors in respect of project viability, technical quality and completeness of plans, project cost structures, monitoring and reporting arrangements, project management, contingency planning and provisions, risk assessment and risk management processes.
  - b) To advise the Board on above matters prior to the submission of the projects to the Board for final approval and make recommendations as appropriate.
  - c) Following approval of projects, continue to assist the Board in its oversight of the projects by reviewing project status and providing regular updates and reports to the Board and advising the Board accordingly.

### Committee's Meetings

The Finance & Projects Committee met four (4) times during the year and the following chart shows the attendance of committee members at the meetings:

DIRECTORS	20/2/2014	22/4/14	22/7/14	14/10/14
Mr. Abdul A Bello	P	P	P	P
Mrs. Halima Tayo Alao	P	P	P	P
Mr Hakeem D Ogunniran	P	P	P	P
Mrs. Folasade O Ogunde	P	P	P	P
Mr. Kunle Awojobi	P	P	P	p

Key : P - Present

## MANAGEMENT

The Executive Management of the Company gains group insight from presenting the Company's draft annual budget to the Group Executive Management and the Board of Directors of the parent Company. The Chairman of the Board attends the Annual Management Conference of the Company to give the employees feedback from the UACN Board on Company's performance in the previous year, corporate strategy, business direction and performance expectation for the new year. The Managing Director attends the monthly UACN group Business Review meetings where Company's performance, business issues and plans are reviewed and direction given. The leadership team of the Company also attends the Annual UACN Group Business Retreat where strategic and operational business issues are discussed with clear direction and action plans. Within the Company, accountability meetings and reviews are held on a weekly, monthly and quarterly basis. These include the weekly meetings of the leadership team, monthly business review and project review meetings and periodic village meetings. Employees of the Company also join their peers within the UACN Group for Finance & IT Managers review, Human Resource Managers meetings, Legal Risks, Compliance and Cost review meetings, and quarterly marketing & sales conferences.

## THE STATUTORY AUDIT COMMITTEE

The statutory Audit Committee consists of six members made up of three representatives of the shareholders elected at the previous Annual General Meeting for tenure of one year and three representatives of the Board of Directors. The Chairman of the Committee is Alhaji Gbadebo Olatokunbo, a shareholders' representative. The Company Secretary is the Secretary of the Committee. The meetings of the Committee which are held quarterly are attended by representatives of KPMG Professional Services, our Internal Audit Service Provider, PricewaterhouseCoopers, our Independent/ External Auditor and the Risk & Compliance Manager of the Company.

### Committee's Meetings

The following table shows members' attendance at the four meetings of the committee in 2014:

DIRECTORS	14/1/14	24/3/14	23/7/14	8/10/14
Alhaji Gbadebo Olatokunbo	P	P	P	P
Mr. Joe O Anosikeh	P	P	AWA	P
Mrs. Folasade O Ogunde	P	P	P	P
Mr. Abdul A Bello	P	P	P	P
Pof. Okon A Ansa	-	-	p	P
Engr. Fawole T Ganiyu	-	-	P	P

Key:

- - Not Yet A Member
- AWA - Absent With Apology

## **The Terms of Reference of the Committee**

The following are the terms of reference of the Committee:

The Committee is authorized by CAMA to:

- a) Ascertain whether the accounting and reporting policies of the Company are in accordance with legal AT requirements and agreed ethical practices;
- b) Review the scope and planning of audit requirements;
- c) Review the findings on management matters in conjunction with the external auditor and departmental responses thereon;
- d) Keep under review the effectiveness of the company's system of accounting and internal control;
- e) Make recommendation to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company;
- f) Authorize the Internal Auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee.
- g) Receive quarterly/periodic reports from the Internal audit unit.

In addition, the 2011 Code of Corporate Governance also assigns specific responsibilities to the Committee.

## **Control environment**

A group-wide Risk & Compliance Unit has been established at the Corporate Centre and in all subsidiary Companies to ensure a stronger control environment. The outsourced Internal Audit and Whistle Blowing services to KPMG Professional Services are working effectively and adding great value to the business.

## **Trading in Security Policy**

In compliance with the Rules of the Nigerian Stock Exchange (NSE), we have put in place a Securities Trading Policy to guide employees and Directors of the Company, persons closely connected to them, and all insiders of the Company on trading in the securities of the company. Under the policy, the closed period shall be effective from 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the following matters, or the date of circulation of agenda papers pertaining to any of the said matters whichever is earlier, up to 24 hours after the price sensitive information is submitted to the NSE. The trading window shall thereafter be opened:

- a) Declaration of financial results (quarterly, half-yearly and annual);
- b) Declaration of dividends (interim and final);
- c) Issue of securities by way of public offer or rights or bonus etc;
- d) Any major expansion plans or winning of bid or execution of new projects\disposal of the whole or a substantial part of the undertaking;
- e) Any changes in policies, plans or operations of the company that are likely to materially affect the prices of the securities of the company;
- f) Disruption of operations due to natural calamities;
- g) Litigation/dispute with a material impact;

- h) Any information which if disclosed in the opinion of the person discharging the same is likely to materially affect the price of the securities of the company.

We hereby confirm that no Director traded in the securities of the company within the closed period.

#### **Shareholders Complaints Management Policy**

We have put in place a Complaints Management policy to handle and resolve complaints from our Shareholders and investors. The policy was defined and endorsed by the company's senior management, who is also responsible for its implementation and for monitoring compliance. The policy has been posted on the Company's website and shall be made available to shareholders of the company at the Annual General Meeting.

#### **Compliance with the Code of Corporate Governance**

The Company has complied with the provisions of the 2011 Code of Corporate Governance For Public Companies In Nigeria.

# Olive

COURT

AGODI - GRA, IBADAN.



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## Welcome Home

Do not miss this first of a kind opportunity in Ibadan. Contact us to purchase units in Phase 2 of Olive Court.  
Phase 1 is already fully sold and will be ready for occupation by June 2015

#### AVAILABLE UNITS:

- 5 BR Detached Houses with Servants' Quarters
- 4 BR Semi Detached Houses with Servants' Quarters
- 3 BR Terraces with Servants' Quarters

Contact:

**Titilayo** - 07043050195, **Victoria** - 07043050103, **Wunmi** - 07043050116

For more information, visit [www.updcplc.com](http://www.updcplc.com)



**updc**  
RC3215B2

uacn property development company plc  
...building for sustainable value

## Responsibility for annual financial statements

The directors of Updc Plc are responsible for the integrity of the annual financial statements of the company, consolidated subsidiary, associates and the objectivity of other information presented in the annual report.

The fulfillment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, the maintenance of an organization structure which provides for delegation of authority and establishes clear responsibility, together with the constant communication and review of operational performance measured against approved plans and budgets.

Management and employees operate in terms of code of ethics approved by the board of UACN Plc. The code requires compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business.

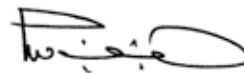
The annual financial statements, prepared in line with International Financial Reporting Standards (IFRS), are examined by our auditors in conformity with International Standards on Auditing.

An audit committee which comprises of three representatives of the shareholders and three board members meets periodically with our internal and external auditors as well as management to discuss internal accounting controls, auditing and financial reporting matters. The auditors have unrestricted access to the audit committee.

The directors have no reason to believe that the company's operations will not continue as going concern in the year ahead other than where closures or discontinuations are anticipated, in which case provision is made to reduce the carrying cost of the relevant assets to net realizable value.



**Folasade Oluwatoyin Ogunde**  
Finance Director  
FRC/2013/ICAN/000000000747



**Hakeem Dele Ogunniran**  
Managing Director  
FRC/2013/ICSAN/00000001723

# Report of the audit committee to the members of uacn property development company plc

In compliance with Section 359(6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004, we have reviewed the audited Financial Statements of the Company for the year ended 31st December, 2014 and report as follows:

- (a) The accounting and reporting policies of the Group and Company are consistent with legal requirements and agreed ethical practices.
- (b) The scope and planning of the external audit for the year ended 31st December, 2014 were, in our opinion adequate
- (c) We reviewed the findings and recommendations in the Internal Auditor's Report and External Auditor's Management Controls Report and we were satisfied with the management responses thereto.
- (d) The Company maintained effective accounting and internal control system.

Dated 19th day of March, 2015



Alhaji Gbadebo Olatokunbo  
Chairman - Audit Committee

## Members of the Committee

- Alhaji Gbadebo Olatokunbo - Chairman
- Mr. Joe O. Anosikeh - Member
- Mrs. Folasade Oluwatoyin Ogunde - Member
- Mr. Abdul Akhor Bello - Member
- Prof. Okon A. Ansa - Member
- Engr. Fawole T. Ganiyu - Member

## Secretary

Godwin A. Samuel, Esq.



Prof. Ansa

Mr. Anosikeh

Alhaji Olatokunbo

Mrs. Ogunde

Engr. Fawole

Mr. Bello



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Located Off High Court road, GRA - Asaba, Delta State; Pineville features a contemporary design which exudes grace and style. Built to instill pride and pleasure in its residents, Pineville adds a touch of exclusivity by offering only 20 available housing units.

### Available Units

- 5 bedroom Detached Houses with Servants' Quarters
- 4 bedroom Semi-detached Houses with Servants' Quarters

### Other Facilities

- Sewage treatment plant
- Borehole & water treatment plant
- Fire Alarm system
- Burglar Alarm system
- PHCN and Standby generator
- Ample parking space for residents and visitors

Call:  
Richard 07043051021, Uche 07045988791  
Rajuno 07043050139, Titilayo 07043050195

For more information, visit [www.updcplc.com](http://www.updcplc.com)

### Facilities

- Recreational Facilities include:
- Swimming Pool
  - Gymnasium
  - Children's Playground



uacn property development company plc  
...building for sustainable value





# Report of the independent auditor to the members of uacn property development company plc

## Report of the financial statements

We have audited the accompanying financial statements of UACN Property Development Company Plc (the company) and its subsidiaries (together, the group). These financial statements comprise the statement of financial position as at 31 December 2014 and the statement of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

## Director's responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Accounting. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the company and the group at 31 December 2014 and of their financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

## Report on other legal requirements

The Companies and Allied Matters Acts requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's statement of financial position and statements of comprehensive income are in agreement with the books of account.

**PricewaterhouseCoopers  
Chartered Accountants**

Engagement partner: Ikenna Ezeuko  
FRC/2013/ICAN/00000000783



31 March 2015

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## Consolidated statements of comprehensive income for the year ended 31 December 2014

	Notes	Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
Revenue	5	11,700,506	11,298,899	10,081,316	9,328,425
Cost of sales	7	(9,870,826)	(8,099,530)	(8,434,341)	(6,309,127)
<b>Gross profit</b>		<b>1,829,680</b>	<b>3,199,369</b>	<b>1,646,975</b>	<b>3,019,298</b>
Fair value gain on investment properties	14	1,541,406	865,900	1,541,406	865,900
Gain on disposal of investment properties	14	486,857	2,764,991	486,857	2,764,991
Selling and distribution expenses	7	(219,240)	(127,428)	(57,265)	(82,428)
Administrative expenses	7	(1,367,260)	(1,716,639)	(801,675)	(934,347)
Other operating income	6	225,625	97,446	1,155,365	122,017
<b>Operating profit</b>		<b>2,497,068</b>	<b>5,083,639</b>	<b>3,971,663</b>	<b>5,755,433</b>
Finance income	8	721,787	638,051	721,787	637,798
Finance cost	8	(2,657,289)	(2,014,157)	(2,657,289)	(2,014,157)
Net finance cost		(1,935,502)	(1,376,106)	(1,935,502)	(1,376,359)
Share of profit of associates	15	2,978,959	-	-	-
<b>Profit before taxation</b>		<b>3,540,525</b>	<b>3,707,533</b>	<b>2,036,161</b>	<b>4,379,074</b>
Taxation	9	48,552	(552,114)	48,552	(552,114)
<b>Profit for the year</b>		<b>3,589,077</b>	<b>3,155,419</b>	<b>2,084,713</b>	<b>3,826,960</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		3,601,697	3,193,788	2,084,713	3,826,760
Non-controlling interest		(12,620)	(38,369)	-	-
<b>Total comprehensive income</b>		<b>3,589,077</b>	<b>3,155,419</b>	<b>2,084,713</b>	<b>3,826,960</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		3,601,697	3,193,788	2,084,713	3,826,960
Non-controlling interests		(12,620)	(38,369)	-	-
		<b>3,589,077</b>	<b>3,155,419</b>	<b>2,084,713</b>	<b>3,826,960</b>
Basic EPS (Kobo)	11	210	186	121	223
Diluted EPS (Kobo)	11	210	186	121	223

The results shown above for both 2014 and 2013 relate to continuing operations. The notes on pages 44 to 107 are an integral part of these consolidated financial statements.

# Consolidated statements of financial position

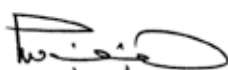
## as at 31 December 2014

	Notes	Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	1,341,919	14,963,433	126,881	224,481
Intangible assets	13	30,353	-	20,806	-
Investment properties	14	16,542,109	15,328,895	16,542,109	15,328,895
Investments in associates and joint ventures	15	19,100,575	17,991,240	17,051,356	17,991,241
Investments in subsidiaries	16	-	-	2,136,310	2,136,310
		<b>49,088,956</b>	<b>48,283,568</b>	<b>35,877,462</b>	<b>35,680,927</b>
<b>Current assets</b>					
Inventories	17	9,668,958	13,031,769	9,757,623	12,723,718
Trade and other receivables	19	9,203,129	5,170,707	23,801,162	20,945,700
Cash at bank and in hand	20	126,578	63,012	58,858	18,081
		<b>18,998,665</b>	<b>18,265,488</b>	<b>33,617,643</b>	<b>33,687,499</b>
<b>Total assets</b>		<b>68,087,621</b>	<b>66,549,056</b>	<b>69,495,106</b>	<b>69,368,425</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	21	7,501,530	4,441,331	7,501,530	4,441,331
Deferred taxation liabilities	23	1,040,023	1,732,957	1,040,023	1,732,957
Deferred income	26	144,422	283,552	144,422	137,931
		<b>8,685,975</b>	<b>6,457,840</b>	<b>8,685,975</b>	<b>6,312,219</b>
<b>Current liabilities</b>					
Trade and other payables	22	6,610,452	7,282,881	6,509,050	7,235,014
Current income tax liabilities	9	712,928	369,369	712,928	368,976
Bank overdrafts and current portion of borrowings	21	16,025,500	19,012,693	16,025,500	19,012,693
		<b>23,348,880</b>	<b>26,664,943</b>	<b>23,247,478</b>	<b>26,616,683</b>
<b>Total liabilities</b>		<b>32,034,855</b>	<b>33,122,783</b>	<b>32,933,453</b>	<b>32,928,902</b>
<b>Equity</b>					
Share capital	24	859,375	687,500	859,375	687,500
Share premium		3,943,273	4,115,148	3,943,273	4,115,148
Retained earnings		31,330,132	28,691,018	32,759,005	31,636,875
<b>Equity attributable to equity holders of the Company</b>		<b>36,132,780</b>	<b>33,493,666</b>	<b>37,561,653</b>	<b>36,439,523</b>
<b>Non controlling interests</b>		<b>(80,013)</b>	<b>(67,393)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>36,052,766</b>	<b>33,426,273</b>	<b>37,561,653</b>	<b>36,439,523</b>
<b>Net equity and liabilities</b>		<b>68,087,621</b>	<b>66,549,056</b>	<b>69,495,106</b>	<b>69,368,425</b>

The financial statements on pages 39 to 42 were approved and authorised for issue by the board of directors on 19 March, 2015 and were signed on its behalf by:



**Larry E. Ettah**  
Chairman  
FRC/2013/IODN/00000002692



**Hakeem D. Ogunniran**  
Managing Director  
FRC/2013/ICSAN/00000001723



**Folasade O. Ogunde**  
Financial Director  
FRC/2013/ICAN/0000000747

The summary of significant accounting policies and notes on pages 44 to 107 are an integral part of these financial statements.

## Consolidated statements of changes in equity for the year ended 31 December 2014

	Group						
	Attributable to owners of the Company					Non Controlling interests	Total
	Share Capital	Share Premium	Retained Earnings	Total			
	N'000	N'000	N'000	N'000		N'000	N'000
Balance at 1 January 2013	687,500	4,115,148	26,459,730	31,262,378		(15,875)	31,246,503
Profit and loss	-	-	3,193,788	3,193,788		(51,518)	3,142,270
Dividend paid	-	-	(962,500)	(962,500)		-	(962,500)
<b>Balance at 31 December 2013</b>	<b>687,500</b>	<b>4,115,148</b>	<b>28,691,018</b>	<b>33,493,666</b>		<b>(67,393)</b>	<b>33,426,273</b>
Balance at 1 January 2014	687,500	4,115,148	28,691,018	33,493,666		(67,393)	33,426,273
Profit and loss	-	-	3,601,697	3,601,697		(12,620)	3,589,077
Issue of bonus shares	171,875	(171,875)	-	-		-	-
Dividends/transfers	-	-	(962,583)	(962,583)		-	(962,583)
<b>Balance at 31 December 2014</b>	<b>859,375</b>	<b>3,943,273</b>	<b>31,330,132</b>	<b>36,132,780</b>		<b>(80,013)</b>	<b>36,052,767</b>

	Company			
	Attributable to owners of the Company			
	Share Capital	Share Premium	Retained Earnings	Total
	N'000	N'000	N'000	N'000
Balance at 1 January 2013	687,500	4,115,148	28,772,415	33,575,063
Profit and loss	-	-	3,826,960	3,826,960
Dividend paid	-	-	(962,500)	(962,500)
<b>Balance at 31 December 2013</b>	<b>687,500</b>	<b>4,115,148</b>	<b>31,636,875</b>	<b>36,439,523</b>
Balance at 1 January 2014	687,500	4,115,148	31,636,875	36,439,523
Profit and loss	-	-	2,084,713	2,084,713
Issue of bonus shares	171,875	(171,875)	-	-
Dividends/Transfers	-	-	(962,583)	(962,583)
<b>Balance at 31 December 2014</b>	<b>859,375</b>	<b>3,943,273</b>	<b>32,759,005</b>	<b>37,561,653</b>

The results shown above for the period 2014 and 2013 relate to continuing operations. The summary of significant accounting policies and notes on pages 44 to 107 are an integral part of these financial statements.

## Consolidated statements of cash flows for the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
<b>Cash flow from operating activities (note 25)</b>	<b>535,347</b>	3,964,957	<b>216,493</b>	3,805,004
Tax paid	(300,431)	(927,181)	(300,431)	(927,181)
<b>Net cash inflow from operating activities</b>	<b>234,916</b>	3,037,776	<b>(83,938)</b>	2,877,823
<b>Cash flow from investing activities</b>				
Proceeds from sale of investment properties	1,200,000	22,492,657	1,200,000	22,492,657
Purchase of property, plant & equipment	(315,480)	(262,565)	(58,432)	(103,800)
Purchase of intangible assets	(61,307)	-	(22,291)	-
Proceeds from sale of property, plant and equipment	1,387	-	1,388	-
Purchase of investments properties	(77,367)	(1,969,997)	(77,367)	(1,969,997)
Distribution from UPDC REIT	929,740	-	929,740	-
Disposal/(Purchase) of investments (joint venture projects)	939,885	(17,663,465)	939,885	(17,663,465)
Interest received	721,787	637,798	721,787	637,798
<b>Net cash flow from investing activities</b>	<b>3,338,645</b>	3,234,428	<b>3,634,710</b>	3,393,193
<b>Cash flow from financing activities</b>				
Proceeds from borrowings	13,853,000	-	13,853,000	-
Repayment of borrowings	(13,670,000)	(3,437,855)	(13,670,000)	(3,437,855)
Dividend paid	(962,583)	(962,500)	(962,583)	(962,500)
Interest paid	(2,657,289)	(2,014,157)	(2,657,289)	(2,014,157)
<b>Net cash flow from financing activities</b>	<b>(3,436,872)</b>	(6,414,512)	<b>(3,436,872)</b>	(6,414,512)
Net increase/(decrease) in cash and cash equivalents	136,689	(142,308)	113,900	(143,496)
Cash and cash equivalents at the beginning of the period	(1,146,819)	(1,004,511)	(1,191,750)	(1,048,254)
<b>Cash and cash equivalents at the end of the period (Note 20)</b>	<b>(1,010,130)</b>	(1,146,819)	<b>(1,077,850)</b>	(1,191,750)

The statement of accounting policies and notes on pages 44 to 107 form an integral part of these financial statements.



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# Notes to the financial statements

## 1. General information

UACN Property Development Company Plc ('the Company') and its subsidiaries (together 'the Group') is a company incorporated in Nigeria. The group's principal business activities are in the real estate and hospitality sectors. The address of the registered office is 1-5 Odunlami Street, Lagos.

The company is a public limited company and is listed on the Nigerian Stock Exchange.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The financial statements of UPDC have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(All amounts are in Naira thousands unless otherwise stated)

### 2.1.2 Changes in accounting policy and disclosures

#### *(a) New and amended standards adopted by the group*

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2014 and have a material impact on the company.

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The group has applied the amendment and there has been no significant impact on the group financial statements as a result.

### **2.1.2 Changes in accounting policy and disclosures (continued)**

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The group is not currently subjected to significant levies so the impact on the group is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the group.

#### ***(b) New standards, amendments and interpretations not yet adopted***

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The group is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The group is assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

## **2.2 Consolidation**

### ***(a) Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed to be assets or liabilities are recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

### ***(b) Changes in ownership interests in subsidiaries without change of control***

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### ***(c) Disposal of subsidiaries***

When the group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### ***(d) Associates and joint ventures***

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

### ***(e) Joint arrangements***

The group has applied IFRS 11 to all joint arrangements as of 1 January 2012. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. IFRS GAAP plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does

not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

## **2.3 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

## **2.4 Foreign currency translation**

### ***(a) Functional and presentation currency***

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira (N), which is the group's presentation currency.

### ***(b) Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

### ***(c) Group companies***

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate(s) on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

## 2.5 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment.

Land and buildings comprise mainly of retail outlets and offices as well as hotel rooms.

Land and buildings held for use in the production or supply of goods or services, or for administration purposes, are stated cost less accumulated depreciation and any accumulated impairment losses. All other assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Leasehold properties are depreciated over their useful lives, unless the lease period is shorter, in which case the lease period is used. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Property, plant and equipment are depreciated on a straight line basis over the current useful lives of the assets. The estimated useful lives of the assets are:

Leasehold buildings	Lease terms vary from 5 to 99 years
Heavy industrial plant	5 to 10 years
Furniture and office Equipment	3 to 5 years
Light industrial plant	2 to 5 years
Heavy vehicles	7 to 10 years
Light vehicles	4 to 6 years
Computer equipment	3 to 5 years

The useful lives and residual values are reassessed at the end of each reporting period and adjusted if necessary.

The depreciation on property, plant and equipment is recognised in profit or loss in the year in which it occurred.

The gain or loss on property, plant and equipment is determined by subtracting the carrying value from the net disposal proceeds on date of sale. The gain or loss on sale of property, plant and equipment is recognised in the statement of comprehensive income and is not classified as revenue.

Subsequent expenditure relating to an item of equipment is capitalised when it is probable that future economic benefits will flow to the entity and the cost can be measured reliably. All other subsequent expenditures are recognised as an expense in the period in which it incurred.

## 2.6 Intangible assets

### *(a) Goodwill*

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### *(b) Computer software*

Costs associated with maintaining computer software programs are recognised as expenses incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

## 2.7 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated group, are classified as investment properties. Investment properties comprise mainly of commercial projects constructed and acquired with the aim of leasing out to tenants.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The group makes use of internal and external valuation experts. Each property is valued by an external valuer at least every three years.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

Leasehold investment properties represent properties acquired under government consent for 99 years.

## **2.8 Impairment of non-financial assets**

The carrying value of assets is reviewed for impairment at each reporting date. Assets are impaired when events or changes in circumstances indicate that their carrying values may not be recoverable. If such indication exists and where carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Recoverable amounts are determined as the higher of fair value less costs to sell or value in use. Impairment losses and the reversal of impairment losses are recognised in the statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

## **2.9 Non-current assets (or disposal groups) held for sale**

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

## **2.10 Financial assets**

### **2.10.1 Classification**

The group classifies its financial assets in the following categories: loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### ***(a) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (notes 2.14 and 2.15).

#### ***(b) Available-for-sale financial assets***

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. These include investments in shares.

#### ***(c) Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

### **2.10.2 Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as “available-for-sale” are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as ‘gains and losses from investment securities’.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group’s right to receive payments is established.

## **2.11 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## **2.12 Impairment of financial assets**

### ***(a) Assets carried at amortised cost***

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If an asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

### ***(b) Assets classified as available for sale***

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-

sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

### **2.13 Inventories**

Inventories are stated at the lower of cost and estimated net realisable value. Cost is based on standard costing that comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### **2.14 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

### **2.15 Cash, cash equivalents and bank overdrafts**

Cash, cash equivalents and bank overdrafts includes cash at bank and in hand plus short-term deposits less overdrafts. Short-term deposits have a maturity of less than three months from the date of acquisition. Bank overdrafts are repayable on demand and form an integral part of the Group's cash management.

### **2.16 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

### **2.17 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## **2.18 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## **2.19 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## **2.20 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group 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 or reissued. Where such ordinary shares are subsequently 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.

## **2.21 Current and deferred income tax**

The tax for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such 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 tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

## **2.22 Employee benefits**

### **Pension schemes**

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### ***(a) Gratuity scheme***

The group operates a gratuity scheme. Under this scheme all full time employees are entitled to a defined percentage of their final salary based on the number of years they worked for group to be paid upon retirement. To be eligible for the scheme the employee must have worked for the group for a minimum of 3 years. This scheme meets the definition of a defined benefit plan.

During the beginning of the period ended 31 December 2012 the scheme was modified. As a result of the modification the group will contribute on an annual basis a fixed percentage of the employees salary to a fund. The funds will be invested on behalf of the employees and they will receive a payout based on the return of the fund upon retirement. Based on the modifications of this scheme it is treated as a defined contribution scheme from 1 January 2012.

#### ***(b) Defined Contribution scheme***

The Pensions Reform Act of 2004 requires all companies to pay a minimum of 7.5% of basic salary (including housing and transport allowances) to a pension fund on behalf of all full time employees. This is classified as a defined contribution plan.

The contributions are recognised as employee benefit expenses when they are due. The group has no further payment obligation once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

***(c) Profit-sharing and bonus plans***

The group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.23 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales related taxes but including interest receivable on sales on extended credit and income from the provision of technical services and agreements. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Sales of goods are recognised when significant risks and rewards of ownership have been transferred to buyers.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interests are recognised using the effective interest method as set out in IAS 39.

***(a) Sale of real estate***

The group assesses whether the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress for each of its contracts to assess whether to treat these as the sale of goods or construction contracts.

At this stage all contracts are treated as sale of goods.

Revenue is recognised when significant risks and rewards of ownership have passed to the buyer. The granting of the legal title is an administrative matter that can have significant delays.

***(b) Rental income***

Revenue includes rental income, service charges and management fee charges on properties.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Service and management fee charges are recognised in the accounting period in which the services are rendered. When the group is acting as an agent, the commission rather than gross income is recorded as revenue.

## 2.24 Leases

### **(a) The group company is a lessee**

#### ***(i) Operating lease***

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

#### ***(ii) Finance lease***

“Leases of assets where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lease’s commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and noncurrent borrowings. The interest element of the finance cost is treated as borrowing costs (see Note 2.18) and expensed/capitalised over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Investment properties recognised under finance leases are carried at their fair value.

### **(b) The group company is a lessor**

#### ***(i) Operating lease***

Refer to revenue recognition policy.

## 2.25 Dividend distribution

Dividend distribution to the company’s shareholders is recognised as a liability in the group’s financial statements in the period in which the dividends are approved by the company’s shareholders. In respect of interim dividends these are recognised once paid.



## BIRTHDAY CELEBRATIONS



### 3. Financial risk management

#### 3.1 Financial risk factors

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.

The group is currently developing a centralised risk management function. At present specific risk management functions are carried out by the specific business units.

##### (a) Market risk

###### (i) Foreign exchange risk

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar as a result of the hotel operations. Foreign exchange risk arises from future commercial transactions. There are no exposures to recognised assets and liabilities as we do not have investments in foreign operations.

The group does not make use of derivatives to hedge its exposures.

Letters of credit are issued by the business units to the foreign suppliers for the purchase of materials.

The groups concentration of foreign exchange risk is as follows:

GROUP	2014				
	Naira	USD	GBP	Other	Total
	N'000	N'000	N'000	N'000	N'000
<b>Financial assets</b>					
Trade and other receivables	9,203,129	-	-	-	9,203,129
Cash and cash equivalent	72,910	52,272	-	1,396	126,578
	<b>9,276,039</b>	<b>52,272</b>	-	<b>1,396</b>	<b>9,329,707</b>
<b>Financial liabilities</b>					
Long term loans	7,501,530	-	-	-	7,501,530
Current portion of borrowing	14,888,793	-	-	-	14,888,793
Trade and other payables	6,610,452	-	-	-	6,610,452
Bank overdrafts	1,136,708	-	-	-	1,136,708
	<b>30,137,483</b>	-	-	-	<b>30,137,483</b>

GROUP	2013				
	Naira	USD	GBP	Other	Total
	N'000	N'000	N'000	N'000	N'000
<b>Financial assets</b>					
Trade and other receivables	5,170,707	-	-	-	5,170,707
Cash and cash equivalent	57,214	3,528	-	2,270	63,012
	5,227,921	3,528	-	2,270	5,233,719
<b>Financial liabilities</b>					
Long term loans	4,441,331	-	-	-	4,441,331
Current portion of borrowings	17,802,861	-	-	-	17,802,861
Trade and other payables	7,282,881	-	-	-	7,282,881
Bank overdrafts	1,209,831	-	-	-	1,209,831
	30,736,904	-	-	-	30,736,904

COMPANY	2014				
	Naira	USD	GBP	Other	Total
	N'000	N'000	N'000	N'000	N'000
<b>Financial assets</b>					
Trade and other receivables	23,801,162	-	-	-	23,801,162
Cash and cash equivalent	5,190	52,272	-	1,396	58,858
	23,806,352	52,272	-	1,396	23,860,020
<b>Financial liabilities</b>					
Long term loans	7,501,530	-	-	-	7,501,530
Current portion of borrowings	14,888,793	-	-	-	14,888,793
Trade and other payables	6,509,050	-	-	-	6,509,050
Bank overdrafts	1,136,708	-	-	-	1,136,708
	30,036,081	-	-	-	30,036,081

COMPANY	2013				
	Naira	USD	GBP	Other	Total
	N'000	N'000	N'000	N'000	N'000
<b>Financial assets</b>					
Trade and other receivables	20,945,700	-	-	-	20,945,700
Cash and cash equivalent	12,283	3,528	-	2,270	18,081
	20,957,983	3,528	-	2,270	20,963,781
<b>Financial liabilities</b>					
Long term loans	4,441,331	-	-	-	4,441,331
Current portion of borrowings	17,802,861	-	-	-	17,802,861
Trade and other payables	7,235,014				7,235,014
Bank overdrafts	1,209,831				1,209,831
	30,689,037	-	-	-	30,689,037

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
The total impact on profit and equity if Naira were to decrease by 1% across currencies would be as follows	64	58	64	58

Management considers a 1% shift in foreign currency exchange rate is appropriate to determine the sensitivity of Foreign currency denominated financial assets and liabilities vis a vis the Naira.

***(ii) Price risk***

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of equity (other than those arising from interest rate risk or currency risk).

The group is not exposed to equity price risk as it does not have any investment in equity securities.

***(iii) Cash flow and fair value interest rate risk***

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The individual boards of each business unit within the group set their own borrowing limits. No formal group limit policy exists at this stage.

The Treasury department monitors interest rate exposures and sensitivities for the entire group on a monthly basis. This is analysed and reviewed by the board on a quarterly basis.

The Group's interest rate risk concentration is as follows:

GROUP	2014			
	Weighted average Interest rate	"Interest bearing Balance (Naira)"		Non-interest bearing
		Variable rate	Fixed rate	
<b>Financial assets</b>				
Trade and other receivables		-	-	9,203,129
Cash and cash equivalent		-	-	126,578
		-	-	<b>9,329,707</b>
<b>Financial liabilities</b>				
Long term loans	14.80	18,988,853	3,401,468	-
Trade and other payables		-	-	6,610,452
Bank overdrafts	16.50	1,136,708	-	-
		<b>20,125,561</b>	<b>3,401,468</b>	<b>6,610,452</b>

GROUP	2013			
	Weighted average Interest rate	"Interest bearing Balance (Naira)"		Non-interest bearing
		Variable rate	Fixed rate	
<b>Financial assets</b>				
Trade and other receivables		-	-	5,170,707
Cash and cash equivalent		-	-	63,012
		-	-	<b>5,233,719</b>

Financial liabilities	2013			
	Weighted average Interest rate	"Interest bearing Balance (Naira)"		Non-interest bearing
		Variable rate	Fixed rate	
Long term loans	13.10	13,910,859	8,333,333	
Trade and other payables		-	-	7,282,881
Bank overdrafts	16.00	1,209,831	-	-
		<b>15,120,690</b>	<b>8,333,333</b>	<b>7,282,881</b>

COMPANY	2014			
	Weighted average Interest rate	“Interest bearing Balance (Naira)”		Non-interest bearing
		Variable rate	Fixed rate	
<b>Financial assets</b>				
Trade and other receivables		-	-	23,801,162
Cash and cash equivalent		-	-	58,858
		-	-	<b>23,860,020</b>
<b>Financial liabilities</b>				
Long term loans	14.80	18,988,854	3,401,468	
Trade and other payables		-	-	6,509,050
Bank overdrafts	16.50	1,136,708		
		<b>20,125,562</b>	<b>3,401,468</b>	<b>6,509,050</b>

COMPANY	2013			
	Weighted average Interest rate	“Interest bearing Balance (Naira)”		Non-interest bearing
		Variable rate	Fixed rate	
<b>Financial assets</b>				
Trade and other receivables		-	-	20,945,700
Cash and cash equivalent		-	-	18,081
		-	-	20,963,781
<b>Financial liabilities</b>				
Long term loans	13.10	13,910,859	8,333,333	-
Trade and other payables		-	-	7,235,014
Bank overdrafts	16.00	1,209,831	-	-
		15,120,690	8,333,333	7,235,014

	Group	
	2014	2013
A 3% increase in interest rates would have the following impact on profit and equity.	(603,767)	(453,621)

Management considers that a 2% shift in interest rate is reasonable as the interest rate has fluctuated by a maximum of 2% in 2014.

### **(b) Credit risk**

Credit risk is monitored by the company and on behalf of the hotel as well. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, accounts receivable and deposits with banks and financial institutions.

For banks and financial institutions, the group utilises institutions that have sufficient reputational risk but do not strictly monitor their formal ratings. In addition the group monitors its exposures with individual institutions and has internal limits to control maximum exposures. The group does not maintain a minimum threshold for its investments based on credit rating. When considering investments the group compares the risk exposure to the returns provided by the institution.

Credit terms are set with customers based on past experiences, payment history and reputations of the customers. Credit terms for real estate are medium term, typically 60 days, for the hotel these range from 0 - 30 days. Rental businesses collect amounts in advance to limit exposures.

#### **Concentration of credit risk**

<b>GROUP</b>	<b>2014</b>			
	<b>Total gross amount</b>	<b>Fully performing</b>	<b>Past due but not impaired</b>	<b>Impaired</b>
Trade receivables	2,403,087	418,161	1,789,282	195,644
Receivable from group company	5,427,749	5,427,749	-	-
Other receivables	316,928	316,928	-	-
Advances to staff	10,818	10,818	-	-
Cash and bank balances	126,578	126,578	-	-
	<b>8,237,023</b>	<b>6,252,097</b>	<b>1,789,282</b>	<b>195,644</b>

<b>GROUP</b>	<b>2013</b>			
	<b>Total gross amount</b>	<b>Fully performing</b>	<b>Past due but not impaired</b>	<b>Impaired</b>
Trade receivables	1,379,242	583,752	632,344	173,580
Receivable from group company	3,358,325	3,358,325	-	-
Other receivables	545,077	545,077	-	-
Advances to staff	3,663	3,663	-	-
Cash and bank balances	63,012	63,012	-	-
	<b>5,351,975</b>	<b>4,556,485</b>	<b>632,344</b>	<b>173,580</b>

COMPANY	2014			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	2,293,106	210,564	1,886,898	195,644
Intergroup balances	20,180,329	20,180,329	-	-
Other receivables	268,791	268,791	-	-
Advances to staff	10,745	10,745	-	-
Cash and bank balances	58,858	58,858	-	-
	<b>22,811,829</b>	<b>20,729,287</b>	<b>1,886,898</b>	<b>195,644</b>

COMPANY	2013			
	Total gross amount	Fully performing	Past due but not impaired	Impaired
Trade receivables	1,171,645	365,720	632,344	173,580
Intergroup balances	19,337,465	19,337,465	-	-
Other receivables	545,077	545,077	-	-
Advances to staff	7,113	7,113	-	-
Cash and bank balances	18,081	18,081	-	-
	<b>21,079,381</b>	<b>20,273,456</b>	<b>632,344</b>	<b>173,580</b>

Details of the credit quality of performing assets are as follows:

Counterparties without external credit ratings	GROUP		COMPANY	
	2014	2013	2014	2013
<i>Trade receivables</i>				
Group 1	418,161	394,017	210,564	186,420
Group 2	-	104,228	-	104,228
Group 3	-	75,072	-	75,072
	<b>418,161</b>	<b>573,317</b>	<b>210,564</b>	<b>365,720</b>
<i>Intergroup balances</i>				
Group 1	5,427,749	3,358,325	20,180,329	19,337,465
	<b>5,427,749</b>	<b>3,358,325</b>	<b>20,180,329</b>	<b>19,337,465</b>

*The group defines the ratings as follows:*

**Group 1** - These are balances with Blue Chip, Listed and other large entities with a low chance of default.

**Group 2** - These are balances with small - medium sized entities with no history of defaults

**Group 3** - These are balances with small - medium sized entities with a history of defaults or late payments.

Counterparties with external credit ratings	GROUP		COMPANY	
	2014	2013	2014	2013
<i>Cash and bank balances</i>				
AAA	126,578	63,012	58,858	18,081
	<b>126,578</b>	<b>63,012</b>	<b>58,858</b>	<b>18,081</b>

Details of the past due but not impaired assets are as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
<i>Trade receivables</i>				
Past due 30-60 days	536,785	189,703	536,785	1,496,638
Past due 60-90 days	1,252,497	442,641	1,252,497	-
	<b>1,789,282</b>	<b>632,344</b>	<b>1,789,282</b>	<b>1,496,638</b>

Details of the impaired assets are as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
<b>Trade receivables</b>				
Past due 0-90 days	9,232	9,232	9,232	9,232
Past due 90-180 days	34,090	34,090	34,090	34,090
Past due > 180 days	152,322	130,258	152,322	130,258
	<b>195,644</b>	<b>173,580</b>	<b>195,644</b>	<b>173,580</b>

	GROUP		COMPANY	
	2014	2013	2014	2013
<b>Receivables</b>				
At 1 January	173,580	187,441	173,580	187,441
Provision for receivables impairment	22,064	(13,861)	22,064	(13,861)
<b>At 31 December</b>	<b>195,644</b>	<b>173,580</b>	<b>195,644</b>	<b>173,580</b>

### (c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs. The group also ensures that at all times borrowing limits or covenants (where applicable) on any of its borrowing facilities are not breached.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2014	GROUP			
	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
Borrowings	-	14,888,793	7,501,530	-
Trade and other payables	1,892,990	4,717,462	-	-
Bank overdrafts	-	1,136,708	-	-
	<b>1,892,990</b>	<b>20,742,964</b>	<b>7,501,530</b>	<b>-</b>

At 31 December 2013	GROUP			
	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
Borrowings	-	17,802,861	4,441,331	-
Trade and other payables	441,773	6,841,108	-	-
Bank overdrafts	-	1,209,831	-	-
	<b>441,773</b>	<b>25,853,800</b>	<b>4,441,331</b>	<b>-</b>

At 31 December 2014	COMPANY			
	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
Borrowings (excluding finance lease liabilities)	-	14,888,793	7,501,530	-
Trade and other payables	1,892,990	4,616,060	-	-
Bank overdrafts	-	1,136,708	-	-
	<b>1,892,990</b>	<b>20,641,562</b>	<b>7,501,530</b>	<b>-</b>

At 31 December 2013	COMPANY			
	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	Over 5 years
Borrowings (excluding finance lease liabilities)	-	17,802,861	4,441,331	-
Trade and other payables	441,773	6,793,241	-	-
Bank overdrafts	-	1,209,831	-	-
	441,773	25,805,933	4,441,331	-

### 3.2 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the gearing ratio. This ratio is calculated as interest bearing debt divided by total equity. Interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position including non controlling interest.

No formal debt equity target has been established.

	2014	2013
Interest bearing debt	23,527,030	23,454,023
Total equity	36,052,766	33,426,273
<b>Total capital</b>	<b>59,579,796</b>	56,880,296
<b>Gearing ratio</b>	<b>0.65</b>	0.70

### 3.3 Fair value estimation

The following table represents the groups' financial assets and liabilities that are not measured at fair value

	Group			
	2014		2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets</b>				
Trade receivables	2,207,443	2,207,443	1,205,662	1,205,662
Other receivables	5,696,540	5,696,540	3,903,402	3,903,402
Cash & short term deposits	-	-	63,012	63,012
<b>Liabilities</b>				
Borrowings	7,464,660	7,501,530	4,549,328	4,441,331
Bank overdrafts and current portion of borrowings	16,025,500	16,025,500	19,012,692	19,012,692
Trade payables	3,733,941	3,733,941	4,746,019	4,746,019

	Company			
	2014		2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets</b>				
Trade receivables	2,097,462	2,097,462	998,065	998,065
Other receivables	20,449,120	20,449,120	19,882,542	19,882,542
Cash & short term deposits	58,858	58,858	18,081	18,081
<b>Liabilities</b>				
Borrowings	7,464,660	7,501,530	7,501,530	4,441,331
Bank overdrafts and current portion of borrowings	15,988,630	15,988,630	19,120,689	19,120,689
Trade payables	3,633,763	3,633,763	4,672,094	4,672,094

### 3.4 Financial instruments by category

	Group			
	2014			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Trade and other receivables	-	-	2,403,087	-
Cash and short-term deposits	-	-	126,578	-
<b>Financial liabilities</b>				
Long term borrowings	-	-	-	7,501,530
Current portion of long term borrowings	-	-	-	14,888,793
Trade and other payables	-	-	-	6,610,452
Bank overdrafts	-	-	-	1,136,708

	Group			
	2013			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Trade and other receivables	-	-	1,379,242	-
Cash and short-term deposits	-	-	63,012	-
<b>Financial liabilities</b>				
Long term borrowings	-	-	-	4,441,331
Current portion of long term borrowings	-	-	-	17,802,861
Trade and other payables	-	-	-	7,282,881
Bank overdrafts	-	-	-	1,209,831

	Company			
	2014			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Trade and other receivables	-	-	2,293,106	-
Cash and short-term deposits	-	-	58,858	-
<b>Financial liabilities</b>				
Long term borrowings	-	-	-	7,501,530
Current portion of long term borrowings	-	-	-	14,888,793
Trade and other payables	-	-	-	6,509,050
Bank overdrafts	-	-	-	1,136,708

	Company			
	2013			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
<b>Financial assets</b>				
Trade and other receivables	-	-	1,171,645	-
Cash and short-term deposits	-	-	18,081	-
<b>Financial liabilities</b>				
Long term borrowings	-	-	-	4,441,331
Current portion of long term borrowings	-	-	-	17,802,861
Trade and other payables	-	-	-	7,235,014
Bank overdrafts	-	-	-	1,209,831

## GROUNDBREAKING AT GOLF ESTATE, CALABAR



## PINEVILLE ESTATE, ASABA PRODUCT LAUNCH



## CORPORATE SOCIAL RESPONSIBILITY - WALK FOR NATURE



## CONSTRUCTION OF DRAINAGE ON CAMERON ROAD, IKOYI



## GROUNDBREAKING AT OLIVE COURT, IBADAN



## SIGNING OF MEMORANDUM OF UNDERSTANDING WITH OYO STATE GOVERNMENT



## UNVEILING OF PROJECTS PLAN FOR 2015



## CAMERON GREEN COMMISSIONING



## 4. Significant judgements and estimates

### 4.1 Significant estimates

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### *a) Investment properties*

The Group uses external experts in valuing its investment properties. For an analysis of the properties valued using each of these refer to Note 14.

For external valuations professional valuers make use of the following key assumptions:

1. That the interests held by the company as evidenced by title deeds are good and marketable;
2. That the properties are free from onerous restrictions and charges;
3. That the properties are not adversely affected by or subject to compulsory acquisition, road widening, planning restrictions or urban renewal schemes;
4. That the properties are free from structural, infestation or concealed defect conditions of properties and no sign of impairment.

	Group		Company	
	N'000	N'000	N'000	N'000
Freehold building	673,984	655,852	673,984	655,852
Leasehold building	15,868,125	14,673,041	15,868,125	14,673,041
<b>Total investment properties</b>	<b>16,542,109</b>	<b>15,328,893</b>	<b>16,542,109</b>	<b>15,328,893</b>

### 4.2 Significant judgements

#### *a) Revenue recognition*

Sale of constructed properties requires detailed judgement. Each transaction is assessed to determine under IFRIC 15 whether revenue should be recognised when the significant risks and rewards pass to the buyer or over time as construction takes place. All of the projects in the periods presented were identified as being the sale of goods and therefore revenue was only recognised when the significant risks and rewards had passed.

The significant risks and rewards were identified as having passed when the buyer had been issued a Letter of Reservation and has access to the properties. Transfer of legal title in the market is time consuming and is seen only as an administrative step and not as a pre-requisite for revenue recognition.

#### *b) Investment in associate*

In June 2013, the company floated a Real Estate Investment Trust (REIT) of 3,000,000,000 units of N10 each.

The company's planned subscription of the REIT was 40% to UPDC and 60% to the general public. The REIT closed at a value of N26.7billion, (2,668,269,500 units) with UPDC holding 62.4% while other investors held 37.6%. It was listed on the Nigerian Stock Exchange (NSE) on July 1, 2013.

The REIT is a property fund backed up by five investment properties comprising residential apartments in the luxury category, commercial office bolcks, a warehouse and shops.

The REIT is governed by a Trust Deed, administered by UBA Trustees Limited and First Trustees Limited. The documents of title to the properties are held by the Custodians, UBA Global Services Limited. The Fund is managed by FSDH Asset Management Limited (FSDH AM) while UPDC is the Property Manager.

Although the company has more than 50% investment in the REIT, it was not consolidated as a subsidiary because the company does not control the REIT. Control is exercised by a 9-member Investment committee comprising the following:

UBA Trustees (Joint Trustees)	1 slot
First Trustees (Joint Trustees)	1 slot
Independent committee members	3 slots
FSDH Asset Management Limited (Fund Managers)	2 slots
UPDC (Sponsor of REIT & Property Manager)	2 slots

## 5. Segmental analysis

The chief operating decision-maker has been identified as the Executive Management Committee (Exco). The Exco reviews the company's internal reporting in order to assess performance and allocate resources. Management has identified the following as operating and geographical segments:

**Property development, sales & management** - UACN Property Development Plc's (UPDC) main business is the acquisition, development, sales and management of high quality serviced commercial and residential properties in the luxury, premium and classic segments of the real estate market in Nigeria. The company approaches property planning from the customers' perspective to create comfortable living and working environments.

**Hospitality services** - UPDC Hotels Limited the company's subsidiary is in the hospitality industry and leverages significantly on the success of its principal promoter UACN Property Development Company Plc. The hotel provides services such as sale of rooms, conferencing and banquet facilities as well as food and beverage services.

The following measures are reviewed by the Exco:

- Revenue to third parties
- Earnings before interest and tax
- Profit before tax
- Net current assets
- Property, plant and equipment

	Property development sales & management	Hospitality services	Total
<b>31 December 2014</b>	N'000	N'000	N'000
Total revenue	10,081,316	1,619,190	11,700,506
Intergroup revenue (other UAC group entities)	(132,012)	(15,164)	(147,176)
Revenue to third parties	<b>9,949,304</b>	<b>1,604,026</b>	<b>11,553,330</b>
Earnings /(loss) before interest and tax	3,971,663	(1,474,596)	2,497,068
Profit /(loss) before tax	2,036,161	1,504,364	3,540,525
Net current assets/ (liabilities)	10,370,165	(14,720,380)	(4,350,215)
Property, plant and equipment	126,881	13,289,038	13,415,919

	Property development sales & management	Hospitality services	Total
<b>31 December 2013</b>	N'000	N'000	N'000
Total Revenue	9,328,425	1,970,473	11,298,899
Intergroup revenue (other UAC group entities)	(152,788)	(35,164)	(187,952)
Revenue to third parties	<b>9,175,637</b>	<b>1,935,309</b>	<b>11,486,851</b>
Earnings /(loss) before interest and tax	5,755,431	(671,792)	5,083,639
Profit /(loss)before tax	4,379,325	(671,539)	3,707,533
Net current assets/ (liabilities)	7,070,816	(15,470,271)	(8,399,455)
Property, plant and equipment	224,481	14,738,952	14,963,433

### Entity wide information

	2014	2013
	N'000	N'000
<b>Analysis of revenue by category:</b>		
Sale of property stock	9,023,651	7,864,857
Rental income	558,318	1,107,872
Rest house revenue	-	7,333
Project management fees	499,347	348,363
<b>UACN Property Development Company Plc</b>	<b>10,081,316</b>	9,328,425
UPDC Hotels Limited	1,619,190	1,970,474
<b>Group</b>	<b>11,700,506</b>	11,298,899

	2014	2013
	N'000	N'000
<b>Analysis of revenue by geographical location:</b>		
Nigeria	<b>11,700,506</b>	11,298,899

6. Other operating income	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Investment income	-	2,250	-	2,250
Income distribution from REIT	-	-	929,740	-
Income from legal services	149,408	70,384	149,408	70,384
Service charge received	15,900	7,932	15,900	7,932
Sales commission received	24,619	12,105	24,619	12,105
Sundry income	35,698	4,775	35,698	29,346
	<b>225,625</b>	<b>97,446</b>	<b>1,155,365</b>	<b>122,017</b>

7. Expenses by nature	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Change in inventories of finished goods and work in progress	9,383,130	7,564,494	7,998,899	5,914,541
Direct operating expenses for investment properties	110,814	259,472	110,814	304,868
Personnel expenses	833,907	687,467	489,190	550,534
Depreciation and amortization	229,138	694,157	118,818	60,840
Rents and Rates	29,370	10,995	21,238	20,009
Electricity & Power	1,968	2,564	1,968	2,564
Vehicles repairs, maintenance & fueling	41,603	30,464	36,581	30,464
Other repairs & maintenance	115,955	114,778	2,858	1,738
Legal expenses	16,346	10,265	16,346	10,265
Auditors' remuneration	28,948	28,500	22,000	22,000
Directors' emoluments	85,567	94,720	85,567	83,720
Loss on sale of property, plant and equipment	34,921	41,304	34,921	41,304
Information technology	82,631	35,011	64,717	15,011
Insurance	16,012	11,810	4,325	6,858
Marketing, communication & entertainment	219,240	127,428	57,265	42,428
Professional fees	115,036	130,712	115,036	115,735
Printing and stationery	11,925	9,739	11,925	9,739
UACN management fee	100,813	89,717	100,813	93,284
	<b>11,457,326</b>	9,943,597	<b>9,293,281</b>	7,325,902
Cost of sales	9,870,826	8,099,530	8,434,341	6,309,127
Selling and distribution expenses	219,240	127,428	57,265	82,428
Administrative expenses	1,367,260	1,716,639	801,675	934,347
	<b>11,457,326</b>	9,943,597	<b>9,293,281</b>	7,325,902

	Group		Company	
	2014	2013	2014	2013
<b>Personnel expenses include:</b>	N'000	N'000	N'000	N'000
Wages and salaries	639,840	618,739	435,083	504,850
<u>Pension costs:</u>				
Pension benefits	41,199	32,350	22,420	18,709
Gratuity scheme (a) - defined contribution	152,868	36,379	31,687	26,975
	<b>833,908</b>	<b>687,468</b>	<b>489,190</b>	<b>550,534</b>

### Particulars of directors and staff

(i) The group had in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

	Group		Company	
	2014	2013	2014	2013
<b>Costs</b>	N'000	N'000	N'000	N'000
Management	698,207	466,300	422,524	436,616
Staff	221,268	221,167	152,232	167,637
<b>Total</b>	<b>919,475</b>	<b>687,467</b>	<b>574,756</b>	<b>604,253</b>

	Group		Company	
	2014	2013	2014	2013
<b>Numbers</b>	Number	Number	Number	Number
Management	115	102	82	71
Staff	224	257	49	53
<b>Total</b>	<b>339</b>	<b>359</b>	<b>131</b>	<b>124</b>

(ii) The table below shows the number of employees (excluding directors), who earned over =100,000 as emoluments in the year and were within the bands stated.

₦	Group		Company	
	2014	2013	2014	2013
300,001 - 400,000	6	48	-	-
400,001 - 500,000	25	24	-	1
500,001 - 600,000	23	6	1	8
600,001 - 700,000	31	41	6	8
700,001 - 800,000	64	64	8	9
800,001 - 900,000	19	34	8	11
900,001 - 1,000,000	29	18	12	41
1,000,001 - 2,000,000	72	64	41	17
2,000,001 - 3,000,000	30	21	23	15
3,000,001 - 4,000,000	18	19	15	6
4,000,001 - 5,000,000	9	8	6	4
5,000,001 - 6,000,000	5	7	4	2
6,000,001 - 7,000,000	5	2	3	-
7,000,001 - 8,000,000	1	1	1	1
8,000,001 - 9,000,000	-	1	-	1
9,000,001 - 10,000,000	1	1	1	-
	<b>337</b>	<b>357</b>	<b>129</b>	<b>122</b>

	Group		Company	
	2014	2013	2014	2013
(iii) Emoluments of directors	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Fees	1,500	1,500	1,500	1,550
Other emoluments	84,067	72,588	84,067	71,538
	<b>85,567</b>	<b>74,088</b>	<b>85,567</b>	<b>73,088</b>
(iv) The Chairman's emolument.	300	300	300	300
(v) Emolument of the the highest paid director.	24,654	20,633	24,654	20,633
(vi) Key management personnel compensation				
Short term benefits	85,567	74,088	85,567	74,088
Post employment benefits	6,431	6,431	6,431	6,431
	<b>91,998</b>	<b>80,519</b>	<b>91,998</b>	<b>80,519</b>

(vii) The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

₦	Group		Company	
	2014	2013	2014	2013
	Number	Number	Number	Number
1,000,001 - 8,000,000	5	5	5	5
8,000,001 - 14,000,000	1	1	1	1
14,000,001 and above	1	1	1	1
	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

## 8. Net finance income/(cost)

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Interest income on accounts receivable	721,787	638,051	721,787	637,798
<b>Finance Income</b>	<b>721,787</b>	<b>638,051</b>	<b>721,787</b>	<b>637,798</b>
Interest payable on bank loans	2,210,580	1,773,910	2,210,580	1,773,910
Interest payable on bank overdrafts	446,709	240,247	446,709	240,247
<b>Finance costs</b>	<b>2,657,289</b>	<b>2,014,157</b>	<b>2,657,289</b>	<b>2,014,157</b>
Net finance cost	<b>1,935,502</b>	<b>1,376,106</b>	<b>1,935,502</b>	<b>1,376,359</b>

## 9. Taxation

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
<b>Current tax</b>				
Nigeria corporation tax charge for the year	(644,383)	545,490	644,383	545,490
<b>Total current tax charge</b>	<b>(644,383)</b>	<b>545,490</b>	<b>644,383</b>	<b>545,490</b>
<b>Deferred tax</b>				
Temporary differences, origination and reversal	(692,935)	6,624	(692,935)	6,624
Total deferred tax (note 23)	<b>(692,935)</b>	<b>6,624</b>	<b>(692,935)</b>	<b>6,624</b>
Income tax expense	<b>(48,552)</b>	<b>552,114</b>	<b>(48,552)</b>	<b>552,114</b>

Nigeria corporation tax is calculated at 30% (2013: 30%) of the estimated assessable profit for the year.

The tax charge for the year can be reconciled to the profit per the consolidated income statement as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Profit before tax	<b>3,540,525</b>	3,707,533	<b>2,036,161</b>	4,379,325
Tax at the Nigeria corporation tax rate of 30% (2011: 30%)	610,848	1,112,260	610,848	1,313,722
Education tax	3,849	74,151	3,849	87,581
Capital gains tax	382,720	6,624	382,720	6,624
Deferred tax not raised on assessed losses	14,462	72,259	14,462	72,259
Effect of dividend tax	238,160	-	238,160	-
Effect of permanent differences	(605,657)	(713,179)	(605,657)	(928,073)
Tax charge for the year	<b>644,382</b>	552,115	<b>644,382</b>	552,113

Per statement of financial position	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Balance as at 1 January	369,369	751,060	368,976	750,666
Charge for the year	644,382	304,427	644,382	304,427
Payments during the year	(300,431)	(927,182)	(300,431)	(927,181)
Tax adjustment brought by revenue authority	-	241,064	-	241,064
Balance as at 31 December	<b>713,320</b>	369,369	<b>712,927</b>	368,976

## 10. Dividends

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
<b>Amounts recognised as distributions to ordinary shareholders in the year comprise:</b>				
A dividend of N962,500,000 representing 70 kobo per share was declared for 2013 financial year and paid in June 2014. The withholding tax thereon was remitted to the tax authorities both at the Federal and various State levels.	(962,500)	(962,500)	(962,500)	(962,500)

The proposed final dividend for the year ended 31 December 2014 will be subject to approval by shareholders at the Annual General Meeting and hence has not been included as a liability in the financial statements at 31 December 2014.

## 11. 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 excluding ordinary shares purchased by the company and held as treasury shares.

	Group	
	2014	2013
Profit attributable to ordinary equity shareholders (NGN '000)	3,601,697	3,193,788
Basic earnings per share (Naira)	<b>2.10</b>	1.86
Diluted earnings per share (Naira)	<b>2.10</b>	1.86

Basic weighted average and diluted weighted average number of shares.

Number	Number
1,718,750,000	1,718,750,000

### (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.

## 12. Property plant and equipment

<b>Group</b>						
<b>Cost</b>	<b>Leasehold land and buildings</b>	<b>Motor Vehicles</b>	<b>Plant and Machinery</b>	<b>Furniture &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 January 2013	15,307,077	271,034	948,047	1,620,718	53,897	18,200,773
Additions	28,141	100,539	104,485	24,232	5,167	262,564
Disposals	-	(53,096)	(84,097)	(24,639)	(5,108)	(166,940)
<b>At 31 December 2013</b>	<b>15,335,218</b>	<b>318,477</b>	<b>968,435</b>	<b>1,620,311</b>	<b>53,956</b>	<b>18,296,397</b>
At 1 January 2014	15,335,218	318,477	968,435	1,620,311	53,956	18,296,397
Additions	99,320	31,385	174,143	5,767	4,865	315,480
Disposals	(1,225,571)	(11,158)	(47,432)	(1,261)	(4,462)	(1,289,884)
<b>At 31 December 2014</b>	<b>14,208,967</b>	<b>338,704</b>	<b>1,095,146</b>	<b>1,624,817</b>	<b>54,359</b>	<b>17,321,993</b>
<b>Accumulated depreciation</b>						
At 1 January 2013	539,474	154,199	558,194	1,360,231	31,664	2,643,762
Charge for the year	340,516	36,805	151,670	278,707	6,460	814,158
Disposals	-	(48,043)	(52,052)	(20,041)	(4,820)	(124,956)
<b>At December 2013</b>	<b>879,990</b>	<b>142,961</b>	<b>657,812</b>	<b>1,618,897</b>	<b>33,304</b>	<b>3,332,964</b>
At 1 January 2014	878,990	142,961	657,812	1,618,897	33,304	3,332,964
Charge for the year	197,891	82,214	211,694	101,978	4,949	598,726
Disposals	-	(7,743)	(12,154)	(1,260)	(4,459)	(25,616)
<b>At 31 December 2014</b>	<b>1,077,881</b>	<b>217,432</b>	<b>857,352</b>	<b>1,719,615</b>	<b>33,794</b>	<b>3,906,074</b>
<b>Net book values</b>						
<b>At 31 December 2014</b>	<b>12,633,691</b>	<b>127,153</b>	<b>222,175</b>	<b>412,335</b>	<b>20,565</b>	<b>13,415,919</b>
At 31 December 2013	14,455,228	175,516	310,623	1,414	20,652	14,963,433

<b>Company</b>					
<b>Cost</b>	<b>Motor Vehicles</b>	<b>Plant and Machinery</b>	<b>Furniture &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 January 2013	215,830	186,271	66,059	53,897	522,057
Additions	51,177	40,185	7,271	5,168	103,801
Disposals	(32,082)	(84,097)	(24,639)	(5,108)	(145,926)
<b>At 31 December 2013</b>	<b>234,925</b>	<b>142,359</b>	<b>48,691</b>	<b>53,957</b>	<b>479,932</b>
At 1 January 2014	234,925	142,359	48,691	53,957	479,932
Additions	31,385	18,641	3,541	4,865	58,432
Disposals	(11,158)	(47,432)	(1,261)	(4,462)	(64,313)
<b>At 31 December 2014</b>	<b>255,152</b>	<b>113,568</b>	<b>50,971</b>	<b>54,359</b>	<b>474,051</b>
<b>Accumulated depreciation</b>					
At 1 January 2013	110,032	128,876	38,474	31,664	309,046
Charge for the year	27,405	10,781	6,382	6,460	51,028
Disposals	(27,710)	(52,052)	(20,041)	(4,820)	(104,623)
<b>At 31 December 2013</b>	<b>109,727</b>	<b>87,605</b>	<b>24,815</b>	<b>33,304</b>	<b>255,451</b>
At 1 January 2014	109,729	87,605	24,815	33,304	255,453
Charge for the year	70,970	17,197	24,216	4,949	117,332
Disposals	(7,743)	(12,154)	(1,260)	(4,459)	(25,616)
<b>At 31 December 2014</b>	<b>172,956</b>	<b>92,648</b>	<b>47,771</b>	<b>33,794</b>	<b>347,169</b>
<b>Net book values</b>					
<b>At 31 December 2014</b>	<b>82,196</b>	<b>20,920</b>	<b>3,200</b>	<b>20,565</b>	<b>126,881</b>
At 31 December 2013	125,198	54,754	23,876	20,653	224,481

### 13. Intangible assets

	Group	Company
	Software	
Cost	N'000	N'000
At 1 January 2013	213,448	213,448
31 December 2013	213,448	213,448
At 1 January 2014	213,448	213,448
Additions	61,307	22,291
<b>At 31 December 2014</b>	<b>274,755</b>	<b>235,739</b>
<b>Accumulated amortisation</b>		
At 1 January 2013	203,636	203,636
Amortisation for the year	9,812	9,812
31 December 2013	213,448	213,448
At 1 January 2014	213,448	213,448
Amortisation for the year	30,954	1,486
<b>At 31 December 2014</b>	<b>244,402</b>	<b>214,934</b>
<b>Net book values</b>		
<b>At 31 December 2014</b>	<b>30,353</b>	<b>20,806</b>
At 31 December 2013	-	-

## 14. Investment properties

	Group			Company		
	Freehold buildings	Leasehold buildings	Total investment properties	Freehold buildings	Leasehold buildings	Total investment properties
<b>Fair value</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 January 2013	655,852	31,564,812	32,220,664	655,852	31,564,812	32,220,664
Additions	-	1,969,997	1,969,997	-	1,969,997	1,969,997
Disposals	-	(19,727,666)	(19,727,666)	-	(19,727,666)	(19,727,666)
Net gain from fair valuation adjustments on investment properties	-	865,900	865,900	-	865,900	865,900
<b>At 31 December 2013</b>	<b>655,852</b>	<b>14,673,043</b>	<b>15,328,895</b>	<b>655,852</b>	<b>14,673,043</b>	<b>15,328,895</b>
At 1 January 2014	655,852	14,673,043	15,328,895	655,852	14,673,043	15,328,895
Additions	18,132	59,235	77,367	18,132	59,235	77,367
Reclassification from property stocks held as inventories (note 18)	-	297,741	297,741	-	297,741	297,741
Disposals	-	(703,300)	(703,300)	-	(703,300)	(703,300)
Net gain from fair valuation adjustments on investment properties	-	1,541,406	1,541,406	-	1,541,406	1,541,406
<b>At 31 December 2014</b>	<b>673,984</b>	<b>15,868,125</b>	<b>16,542,109</b>	<b>673,984</b>	<b>15,868,125</b>	<b>16,542,109</b>

Schedule of net gain on disposal	The Group		The Company	
	2014	2013	2014	2013
Sales proceed	1,200,000	22,492,657	1,200,000	22,492,657
Cost of investment properties	(703,300)	(19,727,666)	(703,300)	(19,727,666)
	<b>496,700</b>	<b>2,764,991</b>	<b>496,700</b>	<b>2,764,991</b>

At 31 December 2013	Group			Company		
	Freehold building	Leasehold building	Total investment properties	Freehold building	Leasehold building	Total investment properties
	N'000	N'000	N'000	N'000	N'000	N'000
Level 1	-	-	-	-	-	-
Level 2	655,852	14,673,041	15,328,893	655,852	14,673,041	15,328,893
Level 3	-	-	-	-	-	-
	<b>655,852</b>	<b>14,673,041</b>	<b>15,328,893</b>	<b>655,852</b>	<b>14,673,041</b>	<b>15,328,893</b>

At 31 December 2014	The Group			The Company		
	Freehold building	Leasehold building	Total investment properties	Freehold building	Leasehold building	Total investment properties
	N'000	N'000	N'000	N'000	N'000	N'000
Level 1	-	-	-	-	-	-
Level 2	673,984	15,868,125	16,542,109	673,984	15,868,125	16,542,109
Level 3	-	-	-	-	-	-
	<b>673,984</b>	<b>15,868,125</b>	<b>16,542,109</b>	<b>673,984</b>	<b>15,868,125</b>	<b>16,542,109</b>

The table above analyses investment properties carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

#### 14. Investment properties (continued)

The Group's investment properties were revalued at 31 December 2014 by independent professionally qualified valuers (Messrs Steve Akhigbemidu & Co.) who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the investment properties valued.

Rental income from investment properties recognised in the year was N558.3 million (2013: N1.1 billion) while property operating expenses that contributed to this income was N105.6 million (2013: N275.9 million).

Property operating expenses relating to investment properties that did not generate rental income is N28.4 million (2013: N11.0 million)

#### 15. Investments in associates and joint ventures

The amounts recognised in the balance sheet are as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Associate	18,538,372	16,617,305	16,489,153	16,617,305
Joint ventures	478,597	1,290,329	478,597	1,290,329
Other investments	83,606	83,606	83,606	83,606
	<b>19,100,575</b>	<b>17,991,240</b>	<b>17,051,356</b>	<b>17,991,240</b>

##### 15.1 Investments

Set out below is the associate of the group as at 31 December 2014. The associate as listed below has share capital consisting solely of ordinary shares, which are directly held by the group. The country of incorporation or registration is also the principal place of business.

Nature of investment in associate:

Name of entity	Country of incorporation	2014	2013	2014	2013	Measurement method
		N'000	N'000	% ownership	% ownership	
UPDC REIT	Nigeria	18,538,372	16,617,305	61.5%	62.2%	Equity

The UPDC Real Estate Investment Trust (REIT) is a close-ended real estate investment instrument which is listed on the Nigerian Stock Exchange. As at 31st December 2014, the fair value of UPDC REIT was N10.00 per unit.

The movement in the investment in associate, joint ventures and other investments during the year is stated below:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
At 1 January	17,991,241	327,776	17,991,241	327,776
Share of profit	2,978,959	-	-	-
Addition to investment		17,663,465	-	17,663,465
Disposal of associate	(939,885)	-	(939,885)	-
Dividend received	(929,740)	-	-	-
At 31 December	<b>19,100,575</b>	17,991,241	<b>17,051,356</b>	17,991,241

### Share of profit of associates:

UPDC diversified its portfolio in 2013 through the floating of the UPDC Real Estate Investment Trust (REIT) at a capital value of N26.7 billion listed on the Nigerian Stock Exchange (NSE) on 1 July, 2013.

The REIT is a property fund backed by Five (5) major investment properties located in Lagos, Abuja and Aba.

The REIT's income comprises of rental income from the property assets and interest earned from short term investments in money market instruments and other real estate related instruments.

UPDC held 61.5% of the REIT fund at 31 December 2014. The share of profit recognised in the group financial statements relates to UPDC's percentage share of the REIT's profit for the 18-month period from July 2013 to December 2014. The reported share of profit from UPDC REIT (N2.9 billion) comprises of actual operating profit (N1.6 billion) and gain on revaluation of investment properties held (N1.4 billion). N929.7 million cash distribution was received during the year (for 13 months to June 2014).

The SEC has approved the REIT's financial statements to December 2014 and the outstanding cash distribution will be recognised when received in April 2015.

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

Nature of investments in Joint Ventures:

Name of SPV / JV	Project	Country of incorporation	Nature of relationship	Measurement method	% Interest held
First Festival Mall limited	Festival Mall	Nigeria	Joint venture	Equity	45%
First Restoration Dev. Coy Limited	Olive court	Nigeria	Joint venture	Equity	51%
Pinnacle Apartments Dev. Limited	Pinnacle Estate	Nigeria	Joint venture	Equity	51%
Calabar Golf Estate Limited	Golf estate	Nigeria	Joint venture	Equity	51%
UPDC Metrocity Ltd	Metrocity	Nigeria	Joint venture	Equity	60%
Transit Village Dev. Co. Ltd.	Transit Village	Nigeria	Joint venture	Equity	40%

\* All joint ventures are primarily set up for projects as stated above

Set out below are the summarised financial information for the associates and joint ventures accounted for using the equity method.

Name of SPV / JV	Non Current Assets	Current Assets	Non-Current Liabilities	Current Liabilities	Revenue	Profit/(Loss)
<b>31 December 2014</b>						
First Festival Mall Ltd	3,854,035	1,149,253	-	1,530,289	-	-
First Restoration Dev. Coy Limited	305,325	544,646	305,325	544,646	-	-
Pinnacle Apartments Dev. Limited	1,724,136	445,916	650,000	1,520,252	-	-
Calabar Golf Estate Limited	775,000	1,236,115	461,115	-	-	-
UPDC Metrocity Ltd	1,208,150	7,836,647	3,150,420	3,181,384	-	-
Transit Village Dev. Co. Ltd.	136,010	-	-	-	-	-
UPDC REIT	23,708,000	7,219,087	146,750	748,038	2,048,292	4,843,835

**1 January 2014**

First Festival Mall Ltd	-	-	-	-	-	-
UPDC Metrocity Ltd	7,649,658	-	-	2,926,910	-	-
Transit Village Dev. Co. Ltd.	136,010	-	-	-	-	-
UPDC REIT	21,861,110	7,391,990	27,590,098	1,663,002	1,215,006	907,403

## 16. Investments in subsidiaries

Principal investments	2014	2013	2014	2013
	N'000	N'000	% ownership	% ownership
UPDC Hotels Limited (2,082,500,000 Shares of =N=1.00 each)	2,082,500	2,082,500	94.70	94.70
Manor Gardens Property Development Co. Ltd. (53,810,000 ordinary shares of =N=1.00 each)	53,810	53,810	67.50	67.50
	<b>2,136,310</b>	<b>2,136,310</b>		

## 17. Inventories

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Consumption stocks and spares	142,520	159,881	-	-
Non trade stock	37,254	164,789	15,401	16,619
Properties under construction (Note 18)	9,489,183	12,707,099	9,742,222	12,707,099
	<b>9,668,958</b>	<b>13,031,769</b>	<b>9,757,623</b>	<b>12,723,718</b>

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

## 18. Properties under construction

Cost/Valuation	Group	Company
	N'000	N'000
Balance 1 January 2014	12,707,099	12,707,099
Additions	5,125,222	5,125,222
Reclassification as investment properties (Note 14)	(297,741)	(297,741)
Disposals	(7,498,376)	(7,498,376)
Impairment of parkview estate	(293,982)	(293,982)
Unrealised gain on transfer of asset	(253,039)	-
Balance at 31 December 2014	<b>9,489,183</b>	<b>9,742,222</b>

## 19. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Receivables due within one year				
Trade receivables	2,403,087	1,698,201	2,293,106	1,171,645
Less: provision for impairment of trade receivables	(195,644)	(173,580)	(195,644)	(173,580)
Net trade receivables	2,207,443	1,524,621	2,097,462	998,065
Receivables from related companies (Note 27)	5,379,612	3,039,366	20,180,329	19,337,465
Other receivables	316,928	545,077	268,791	545,077
Advances to staff	10,818	3,663	10,745	7,113
Mobilization payment to contractors	1,178,714	-	1,178,714	-
Prepayments and accrued income	109,614	57,980	65,121	57,980
	<b>9,203,129</b>	<b>5,170,707</b>	<b>23,801,162</b>	<b>20,945,700</b>
<b>Analysis of other receivables</b>				
Bond sinking fund	166,667	333,333	166,667	333,333
Sundry debit balances	150,261	211,744	102,124	211,744
	<b>316,928</b>	<b>545,077</b>	<b>268,791</b>	<b>545,077</b>

Movements in the provision for impairment of trade receivables are as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
At 1 January	173,580	187,441	173,580	187,441
Provision for receivables impairment	22,064	128,911	22,064	128,911
Unused amounts reversed	-	(142,772)	-	(142,772)
<b>At 31 December</b>	<b>195,644</b>	<b>173,580</b>	<b>195,644</b>	<b>173,580</b>

## 20. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Cash at bank and in hand	126,578	63,012	58,858	18,081
Less: bank overdrafts (included in borrowings, Note 21)	(1,136,708)	(1,209,831)	(1,136,708)	(1,209,831)
<b>Cash and cash equivalents</b>	<b>(1,010,130)</b>	<b>(1,146,819)</b>	<b>(1,077,850)</b>	<b>(1,191,750)</b>

## 21. Borrowings

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
<b>Current borrowings</b>				
Overdrafts due within one year	1,136,708	1,209,831	1,136,708	1,209,831
Commercial papers (ii)	10,432,861	11,232,861	10,432,861	11,232,861
Loans due within one year (i)	4,455,931	6,570,000	4,455,931	6,570,000
	<b>16,025,500</b>	19,012,692	<b>16,025,500</b>	19,012,692
<b>Non-current borrowings</b>				
Loans due after one year (i)	<b>7,501,530</b>	4,441,331	<b>7,501,530</b>	4,441,331
<b>Total borrowings carried at fair value</b>	<b>23,527,030</b>	23,454,023	<b>23,527,030</b>	23,454,023

**(i) Loans**

Company	Amount due		Tenor	Repayment terms	Security
	2014	2013			
Details of the loan maturities are as follows:	N'000	N'000			
First Bank of Nigeria Limited	1,001,463	2,000,000	12 months	Quarterly	Equitable mortgage
FBN Plc (Refinanced IFC Loan )	-	570,000	3 months	Half yearly	Equitable mortgage
Union Bank of Nigeria Plc	53,000	-	12 months	Quarterly	Equitable mortgage
FSDH Merchant Bank Ltd	4,000,000	-	53 months	Quarterly	Equitable mortgage
Guaranty Trust Bank Plc	3,500,000	-	56 months	Quarterly	Equitable mortgage
Corporate Bond (Series 1)	3,401,468	8,441,330	8 months	36 months	Bank guarantee, equitable mortgage, sinking fund
	<b>11,955,931</b>	<b>11,011,330</b>			

The average interest rate for facilities from local banks during the period was 14.2% (2013: 13.1%) inclusive of the balance of the Corporate Bond at 10% coupon.

All covenants attached to borrowings have been complied with throughout the year.

Total borrowing cost of N1.5 billion (2013: N1.7 billion) were capitalised into various projects using weighted average rate of 14.8%.

**ii) Commercial papers**

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
First Bank of Nigeria Limited	-	300,000	-	300,000
UBA Plc	7,932,861	6,432,861	7,932,861	6,432,861
FSDH Merchant Bank Limited	500,000	4,500,000	500,000	4,500,000
Zenith Bank Plc	2,000,000	-	2,000,000	-
<b>Total Commercial Papers</b>	<b>10,432,861</b>	<b>11,232,861</b>	<b>10,432,861</b>	<b>11,232,861</b>

## 22. Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Trade payables	1,243,537	3,485,243	1,143,359	3,411,318
Amounts owed to group companies				
Amounts owed to other related parties (Note 27)	2,490,404	1,260,776	2,490,404	1,260,776
	<b>3,733,941</b>	<b>4,746,019</b>	<b>3,633,763</b>	<b>4,672,094</b>
Other payables	1,001,386	1,512,773	1,212,242	1,512,773
Rental income received in advance (Note 26)	114,264	134,000	114,264	134,000
Accruals	1,760,861	890,088	1,548,782	916,147
<b>Total</b>	<b>6,610,452</b>	<b>7,282,881</b>	<b>6,509,051</b>	<b>7,235,014</b>

	Group		Company	
	2014	2013	2014	2013
	Days	Days	Days	Days
Average credit period taken for trade purchases	<b>87</b>	72	<b>87</b>	72

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amounts of trade and other payables to approximate their fair value.

### 23. Deferred Tax

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

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Deferred tax liabilities:				
– Deferred tax liability to be recovered after more than 12 months	1,732,957	1,732,957	1,040,022	1,732,957
– Deferred tax liability to be recovered within 12 months	692,935	-	-	-
Deferred tax (liabilities) / assets	<b>1,040,022</b>	<b>1,732,957</b>	<b>1,040,022</b>	<b>1,732,957</b>

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

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
At 1 January	1,732,957	1,726,333	1,732,957	1,726,333
Income statement charge	(692,935)	6,624	(692,935)	6,624
At 31 December	<b>1,040,022</b>	<b>1,732,957</b>	<b>1,040,022</b>	<b>1,732,957</b>

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

#### The Group

Deferred tax liabilities	Property, plant and equipment	Investment property	Provisions	Total
	N'000	N'000	N'000	N'000
At 1 January 2014	(1,680)	1,731,057	3,580	1,732,957
Charged/(credited) to the income statement	(9,015)	-	(683,920)	(692,935)
At 31 December 2014	<b>(10,695)</b>	<b>1,731,057</b>	<b>(680,340)</b>	<b>1,040,022</b>

## The Company

Deferred tax liabilities	Property, plant and equipment	Investment property	Provisions	Total
	N'000	N'000	N'000	N'000
At 1 January 2014	(1,680)	1,731,057	3,580	1,732,957
Charged/(credited) to the income statement	(9,015)	-	(683,920)	(692,935)
<b>At 31 December 2014</b>	<b>(10,695)</b>	<b>1,731,057</b>	<b>(680,340)</b>	<b>1,040,022</b>

## Group/Company

At the balance sheet date, the Group has nil unused tax losses (2013:Nil) available for offset against future profits.

## 24. Share capital

### Group and Company

	2014		2013	
	Number	Amount	Number	Amount
	N'000	N'000	000	N'000
<b>Authorised:</b>				
Ordinary shares of 50k each	2,000,000	1,000,000	2,000,000	1,000,000
<b>Issued and fully paid:</b>				
Ordinary shares of 50k each	1,718,750	859,375	1,375,000	687,500

### Movements during the year:

	Group and Company	
	Number of shares	Value of shares
	N'000	N'000
Balance at 1 January 2014	1,375,000	687,500
Bonus issue	343,750	171,875
<b>At 31 December 2014</b>	<b>1,718,750</b>	<b>859,375</b>

The Company held an Annual General Meeting on 4th June 2014, where the shareholders approved a bonus issue of 1 for every 4 shares to existing shareholders as at 12 May, 2014. 343,750,000 ordinary shares of 50 kobo each were issued to existing shareholders. The ordinary shares issued from the share premium account have the same rights as the other shares in issue.

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

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Profit before tax	3,540,525	3,707,533	2,036,161	4,379,074
<b>Adjustment for non cash items</b>				
Depreciation	598,726	814,157	117,332	51,028
Amortization of intangible asset	30,954	9,812	1,486	9,812
Fair value gain on investment properties	(1,541,406)	(865,900)	(1,541,406)	(865,900)
Gain on disposal of investment properties	(496,700)	(2,764,991)	(496,700)	(2,764,991)
Fair value (gain)/loss on loans and borrowings	(36,870)	107,997	(36,870)	107,997
Transfer of investment property from construction WIP	(297,741)	-	(297,741)	-
Loss on disposal of property, plant and equipment	37,309	41,985	37,309	41,985
Finance cost	2,657,289	2,014,157	2,657,289	2,014,157
Finance income	(721,787)	(637,798)	(721,787)	(637,798)
Income distribution from REIT	(929,740)	-	(929,740)	-
Share of associate's profit	(2,049,219)	-	-	-
	<b>791,340</b>	<b>2,426,952</b>	<b>825,333</b>	<b>2,335,362</b>
<b>Changes in working capital</b>				
Decrease in inventories	4,588,383	3,624,717	2,966,095	3,660,108
(Increase)/ decrease in receivables	(4,032,422)	1,343,678	(2,855,462)	1,327,396
Decrease in payables	(811,954)	(3,430,390)	(719,473)	(3,517,864)
<b>Cash generated from operations</b>	<b>535,347</b>	<b>3,964,957</b>	<b>216,493</b>	<b>3,805,004</b>

## 26. Deferred income

Deferred income are rentals received in advance which are recognized in the income statement when earned.

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Within one year	114,264	134,000	114,264	134,000
Greater than one year	144,422	283,552	144,422	137,931
	<b>258,686</b>	<b>417,552</b>	<b>258,686</b>	<b>271,931</b>

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

## 27 Related party transactions

The ultimate parent and controlling party of the company is UAC of Nigeria Plc incorporated in Nigeria. There are other companies that are related to UPDC through common shareholdings. The following transactions were carried out with related parties:

### (a) Sales of goods and services.

	Relationship	Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
UAC of Nigeria Plc	Parent	122,149	115,559	122,149	115,559
GM Nigeria Limited	Fellow Subsidiary	-	1,300	-	1,300
UAC Restaurants Limited	Fellow Subsidiary	2,505	5,043	2,505	5,043
MDS Logistics Limited	Fellow Subsidiary	9,453	15,482	9,453	15,482
Unico CPFA	Fellow Subsidiary	37,658	5,951	37,658	5,951
Warm Spring Waters Nig Limited	Fellow Subsidiary	-	107	-	107
UPDC Hotels Limited	Subsidiary	-	-	-	-
Key management personnel	Directors	195,000	-	195,000	-

**(b) Purchases of goods and services**

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
UAC of Nigeria Plc	Parent	85,863	65,987	85,863	65,987
UNICO CPFA Limited	Fellow Subsidiary	103	11,821	103	11,821
UAC Restaurants Limited	Fellow Subsidiary	33,212	5,155	33,212	5,155
CAP Plc	Fellow Subsidiary	32,722	43,345	32,722	43,345
Grand Cereals Limited	Fellow Subsidiary	1,011	-	1,011	14,221
Warm Spring Waters Nig Limited	Fellow Subsidiary	529	-	529	-
MDS Logistics Limited	Fellow Subsidiary	52,291	970	52,291	970
UPDC Hotels Limited	Subsidiary	-	-	14,006	14,221

**(c) Key management compensation**

Key management have been determined as directors (executive and non-executive) the Chairman and other senior management that form part of the leadership team. Details of compensation are documented in note 6.

**(d) Year-end balances arising from sales/purchases of goods/services.**

		Group		Company	
		2014	2013	2014	2013
		N'000	N'000	N'000	N'000
<b>Receivables:</b>					
UPDC Metrocity Limited loan (i)		1,383,626	1,383,626	1,383,626	1,383,626
UPDC Metrocity Limited		967,422	617,865	967,422	617,865
UPDC Hotels Limited (ii) subsidiary		-	-	14,483,935	16,091,311
First Festival Mall Limited loan (iii) Joint Venture		1,328,422	-	1,328,422	-
First Festival Mall Limited - Short term working capital advances (iii) Joint Venture		671,991	438,885	671,991	438,885
First Festival Mall Limited		-	1,772	-	1,772
Calabar Golf Estate Limited		465,831	2,001	465,831	2,001
First Restoration Limited		-	30,935	-	30,935
Pinnacle Apartment Development Limited		58,134	129,419	58,134	129,419
Manor Gardens Property Development Company Limited		-	-	316,782	206,788
MDS logistics Limited		2,510	2,510	2,510	2,510
Imani and Sons Nigeria Limited (Pinnacle JV)		501,676	432,353	501,676	432,353
		<b>5,379,612</b>	<b>3,039,366</b>	<b>20,180,329</b>	<b>19,337,465</b>

i. Loan to UPDC Metro City Ltd attracts 17% interest per annum and repayable on conclusion of the project.

ii. Advances to Updc Hotels Limited is interest free and repayable on demand.

iii. Loan to First Festival Mall Limited attracts interest at MPR + 4% per annum and repayable after 2 years of operation.

iv. The advance to Imani and Sons was to discharge legal mortgage from the JV land. It attracts interest charge at 18.5% per annum

and is recoverable from the JV partner's share of profit.

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
<b>Payables:</b>				
UAC of Nigeria Plc.	1,559,868	60,711	1,559,868	60,711
First Restoration Dev. Co. Ltd	27,828	-	27,828	-
UPDC REIT	2,708	-	2,708	-
MDS Logistics Limited	900,000	1,200,065	900,000	1,200,065
	<b>2,490,404</b>	<b>1,260,776</b>	<b>2,490,404</b>	<b>1,260,776</b>

All trading balances will be settled in cash.

There were no provisions for doubtful related party receivables at 31st December 2014 (2013: nil) and no charges to the income statement in respect of doubtful related party receivables (2013: nil).

The related party transactions were carried out on commercial terms and conditions.

## 28. Capital commitments and contingent liabilities

### *Capital Commitments*

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Capital expenditure authorised	10,847,425	13,682,848	10,847,425	13,682,848
Capital commitment	5,329,357	4,647,410	5,329,357	4,647,410

### *Contingent liabilities*

In 2006, UPDC acquired a parcel of land in Ikoyi from Wema Bank. The property was originally owned by the Federal Ministry of Works and Housing (FMWH). Subsequently, Parkview Estate was developed on the property at a carrying value of N1.5billion.

However, County & City Bricks Limited (CCBL) had taken the Federal Government and UPDC to court claiming that the land was leased to it in 1998 and therefore any subsequent dealing on the portion of land adverse to its interest is null and of no effect.

Judgment was delivered in June 2009 to the effect that there was indeed a contract between the FMWH and CCBL which the Ministry breached and that CCBL is entitled to statutory right of occupancy over the parcel of land measuring 16 hectares in Parkview, Ikoyi (including the UPDC acquired area). The court further declared that the certificates of UPDC and other parties to the suits were null and void. CCBL, with the help of police officers, but without a writ of execution from the Court and any bailiff of Court, forcefully took over the premises and ejected UPDC's contractors and

workers therefrom.

UPDC has appealed the judgment. The lawyer's opinion that UPDC has a high chance of succeeding in its appeal because of inconsistencies in the judgment of the High Court and that the company is a bonafide purchaser for value without notice of any encumbrance on the property before acquiring a legal title.

Steve Akhigbemidu & Co. (Estate Surveyors & Valuers) assessed and valued the property - fair market value: N1.8 billion, forced sale value: N1.2 billion.

The directors have written down the property to its forced sale value of N1.2 billion.

In an event the company loses the case, the carrying value of the property in its books is N1.2 billion.

There were other litigations as at the balance sheet date in the ordinary course of business which involved land acquisition, contractual claims and recovery of overdue rents and service charges. In the opinion of the Directors, no material loss is expected to arise from these. However, those evaluated to likely result in loss were provided for.

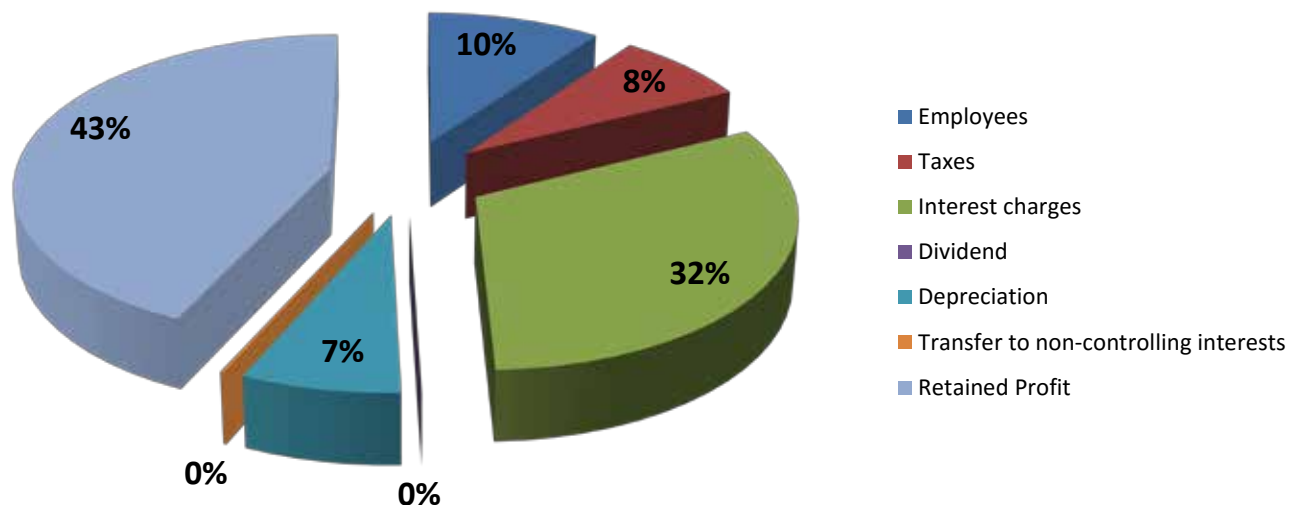
During the year, the company disposed some of its investment properties which resulted in a taxable profit of N805 million. The company intends to re-invest the outstanding profit of N805 million in investment property before 30 June 2015, hence this amount has not been subject to Capital Gains Tax (CGT). In the event that the company is unable to reinvest this amount before the said date, the company will have a CGT liability of N80 million.

## **29. Management service agreement**

The company has a Management Service Agreement with UAC of Nigeria Plc. This agreement provides that the Company pays an annual fee of 1% of its turnover to UACN for services received under the agreement. The services provided include Business Strategy and Financial Advisory, Treasury, Secretarial & Legal, Human Resources Management, Insurance, Pensions & Gratuity Administration, Medical etc. The amount charged in these financial statements is N100.81 million (2013-N93.28 million)

## Value added statement for the year ended 31 December 2014

	Group				Company			
	2014		2013		2014		2013	
	N'Million	%	N'Million	%	N'Million	%	N'Million	%
Sale of properties, rents and services	11,701		11,299		10,081		9,328	
Bought in materials and services (All local)	(3,376)		(3,977)		(4,087)		(2,270)	
<b>Value Added</b>	<b>8,325</b>	<b>100</b>	<b>7,322</b>	<b>100</b>	<b>5,994</b>	<b>100</b>	<b>7,058</b>	<b>100</b>
<b>Distribution:</b>								
Employees	834	10	687	9	489	8	604	9
Taxes	644	8	552	8	644	11	552	8
Interest charges	2,657	32	2,014	28	2,657	44	2,014	29
Dividend	-	-	963	13	-	-	963	14
Depreciation	600	7	824	11	119	2	61	1
Transfer to non-controlling interests	(13)	(0)	(38)	(1)	-	-	-	-
Retained Profit	3,602	43	2,320	32	2,085	35	2,864	41
	<b>8,325</b>	<b>100</b>	<b>7,322</b>	<b>100</b>	<b>5,994</b>	<b>100</b>	<b>7,058</b>	<b>100</b>



## Five-year financial summary

	2014	2013	2012	2011	2010
	N'000	N'000	N'000	N'000	N'000
<b>Statement of financial position as at 31 December</b>					
				<b>Nigeria GAAP</b>	
<b>Liabilities</b>					
Non-current liabilities	8,685,975	6,457,840	14,052,171	18,127,560	21,974,749
Current liabilities	23,348,880	26,664,943	26,059,945	20,926,959	16,781,046
<b>Total liabilities</b>	<b>32,034,854</b>	<b>33,122,783</b>	<b>40,112,116</b>	<b>39,054,519</b>	<b>38,592,486</b>
Ordinary share capital	859,375	687,500	687,500	687,500	687,500
Share premium	3,943,273	4,115,148	4,115,148	4,115,148	4,115,148
Revenue reserve	31,330,132	28,691,018	26,459,730	25,136,674	24,161,834
Shareholders' funds	36,132,780	33,493,666	31,262,378	29,939,322	28,964,482
Non-controlling interest	(80,013)	(67,393)	(15,875)	22,548	61,202
<b>Total equity</b>	<b>36,052,766</b>	<b>33,426,273</b>	<b>31,246,503</b>	<b>29,961,870</b>	<b>29,025,684</b>
<b>Net equity and liabilities</b>	<b>68,087,620</b>	<b>66,549,056</b>	<b>71,358,619</b>	<b>69,016,388</b>	<b>67,618,170</b>
PPE & Investment properties	29,988,381	30,292,328	47,787,488	43,535,227	37,884,938
Long term Investments	19,100,575	17,991,241	327,776	81,606	981,644
Current assets	18,998,665	18,265,488	23,243,356	25,399,556	28,751,588
<b>Total assets</b>	<b>68,087,621</b>	<b>66,549,056</b>	<b>71,358,619</b>	<b>69,016,388</b>	<b>67,618,170</b>
<b>Comprehensive income</b>				<b>Nigeria GAAP</b>	
Revenue	11,700,506	11,298,899	12,039,603	6,782,819	8,194,305
Profit before taxation	3,540,525	3,707,533	2,454,951	2,398,713	2,538,771
Taxation	48,552	(552,114)	(274,640)	(728,608)	(260,745)
Profit after taxation	3,589,077	3,155,419	2,180,310	1,670,105	2,278,026
Non-controlling Interest	(12,620)	(38,369)	(35,190)	(38,791)	45,054
Earnings per share for profit attributable to the equity holders of the group	3,601,697	3,193,788	2,215,500	1,708,895	2,323,080
Proposed dividend	(859,375)	(962,500)	(962,500)	(893,750)	(756,250)
Retained profit	2,742,322	2,231,288	1,253,000	815,145	1,566,830
Basic Earnings per share (kobo)	210	232	161	124	169
Dividend per share (kobo)	50	70	70	65	55
Net assets per share (Naira)	21.0	24.3	22.7	21.8	21.7

Note : The earnings, dividends and net assets per share of 50 kobo are computed respectively on the profit after taxation, proposed dividends and the shareholders' funds each on the basis of the number of shares in issue as at 31st December.

## Shareholders' information

### Analysis of shareholding

According to the register of members, two shareholders (UAC of Nigeria Plc and FBN Trustees Limited) each held more than 5% of the issued capital of the company as at 31<sup>st</sup> December 2014. The shareholders held 46% and 8.65% respectively. No other person / body other than stated held more than 5% and above of the company's paid-up share capital.

Shareholding range analysis						
Range	Holders	Holders %	Holders cum	Units	Units %	Units cum
1-5,000	21,155	75.82	21155	36,769,717	2.14	36769717
5,001 -10,000	3,160	11.33	24,315	22,020,054	1.28	58,789,771
10,001 -50,000	2,704	9.69	27,019	57,594,668	3.35	116,384,439
50,001 -100,000	455	1.63	27,474	32,557,228	1.89	148,941,667
100,001 -500,000	320	1.15	27,794	65,419,228	3.81	214,360,895
500,001 -1,000,000	53	0.19	27,847	37,506,588	2.18	251,867,483
1,000,001 -10,000,000	38	0.14	27,885	116,746,506	6.79	368,613,989
10,000,001 -100,000,000	14	0.05	27,899	410,908,754	23.91	779,522,743
100,000,001 _ 500,000,000	1	0.00	27,900	148,602,252	8.65	928,124,995
500,000,001 _ 1,000,000,000	1	0.00	27,901	790,625,000	46.00	1,718,749,995
	<b>27,901</b>	<b>100.00</b>		<b>1,718,749,995</b>	<b>100.00</b>	

Share capital history			
Year	Bonus issue	Units	Value (N)
1999	Starting capital	1,000,000,000	500,000,000
2004	1 for 10 bonus issue	1,100,000,000	550,000,000
2005 to 2009	None	1,100,000,000	550,000,000
2010	1 for 4 bonus issue	1,375,000,000	687,500,000
2011 to 2012	None	1,375,000,000	687,500,000
2013	1 for 4 bonus issue	1,718,750,000	859,375,000
<b>2014</b>	<b>None</b>	<b>1,718,750,000</b>	<b>859,375,000</b>

<b>Five-year share price history</b>			
<b>Year</b>	<b>Last trading day</b>	<b>Closing share price</b>	<b>Inc / (Dec) over preceding year</b>
2010	December 31, 2010	16.51	(17%)
2011	December 31, 2011	12.00	(27%)
2012	December 31, 2012	11.00	(8%)
2013	December 31, 2013	19.00	73%
2014	December 31, 2014	9.50	(50%)

<b>Five-year dividend history</b>				
<b>Dividend number</b>	<b>Reporting period</b>	<b>Closure date</b>	<b>Dividend per share</b>	<b>Dividend total (N)</b>
12	2009 Accounting year	21st May 2010	50k	550,000,000
13	2010 Accounting year	7th June 2011	55k	756,250,000
14	2011 Accounting year	16th May 2012	65k	893,750,000
15	2012 Accounting year	20th May 2013	70k	962,500,000
16	2013 Accounting year	12th May 2014	70k	962,500,000

<b>Unclaimed dividends list as at 31st December 2014</b>					
<b>S/N</b>	<b>Date of payment</b>	<b>Dividend number</b>	<b>Amount of dividend declared</b>	<b>Total dividend paid to date</b>	<b>Unpaid dividend (Unclaimed dividend)</b>
1		2	Taken over		
2	7/11/2001	3	269,999,999.74	265,032,170.51	4,967,829.23
3	5/31/2002	4	315,000,000.00	306,967,443.53	8,032,556.47
4	5/31/2003	5	315,000,000.00	293,626,780.54	21,373,219.46
5	5/31/2004	6	405,000,000.00	393,759,796.58	11,240,203.42
6	5/23/2005	7	180,000,000.00	179,838,013.47	161,986.53
7	5/29/2006	8	247,500,000.00	238,327,766.37	9,172,233.63
8	5/29/2007	9	346,499,999.00	337,118,397.38	9,381,601.62
9	5/13/2008	10	485,099,998.67	478,068,566.51	7,031,432.16
10	5/12/2009	11	742,499,997.97	715,926,313.03	26,573,684.94
11	6/15/2010	12	494,999,998.65	484,166,346.24	10,833,652.41
12	6/7/2011	13	680,624,998.02	667,956,829.37	12,668,168.65
13	5/16/2012	14	804,375,000.00	797,625,136.92	6,749,863.08
14	6/21/2013	15	866,249,997.48	849,503,804.87	16,746,192.61
15	6/5/2014	16	866,250,000.00	696,207,045.14	170,042,954.86



## CSR: FOOTBALL MATCH WITH LASTMA OFFICIALS



C005



## SHAREHOLDER E-SERVICE APPLICATION FORM

### (\* = Compulsory fields)

1. \*SURNAME/COMPANY NAME:
2. \*FIRST NAME:
3. OTHER NAME:
4. SPOUSE' NAME:
5. \*MOTHER'S MAIDEN NAME:
6. \*E-MAIL:
7. ALTERNATE E-MAIL:
8. \*MOBILE No.:  9. SEX: MALE  FEMALE
10. PHONE No. (HOME):
11. \*POSTAL ADDRESS:
12. \*CSCS CLEARING HOUSE No.:
13. NAME OF STOCKBROKER:  14. OCCUPATION:
15. NATIONALITY:
16. NEXT OF KIN:

### E-SHARE REGISTRATION ACTIVATION MANDATE (Please tick the box below )

Please take this as authority to activate my account(s) on your 3iOP e-Share Registration Portal where I will be able to view and manage my investment portfolio online with ease.

### BANK DETAILS FOR E-DIVIDEND MANDATE

Please take this as authority to credit my/our under-mentioned account with any dividend payment(s)/lost/misplaced/stale/unclaimed dividend warrants due on my/our shareholding in the aforementioned company(ies).

17. \*ACCOUNT NAME:
18. \*BANK ACCOUNT NUMBER:  Must be NUBAN 19. \*BANK:
20. \*AGE OF ACCOUNT:  \*BANK'S AUTHORISED SIGNATURE & STAMP
- Must be confirmed by the bank

### DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: \_\_\_\_\_

Signature : \_\_\_\_\_  
for joint/corporate accounts only

OTHERS: \_\_\_\_\_

Please tick against the company(ies) where you have shareholding

### CLIENTELE

- |  |                          |
|--|--------------------------|
| 1. AFRICA PRUDENTIAL REGISTRARS PLC      | <input type="checkbox"/> |
| 2. ABBEY BUILDING SOCIETY PLC            | <input type="checkbox"/> |
| 3. AFRILAND PROPERTIES PLC               | <input type="checkbox"/> |
| 4. A & G INSURANCE PLC                   | <input type="checkbox"/> |
| 5. ARM PROPERTIES PLC                    | <input type="checkbox"/> |
| 6. A.R.M LIFE PLC                        | <input type="checkbox"/> |
| 7. ADAMAWA STATE GOVERNMENT BOND         | <input type="checkbox"/> |
| 8. BECO PETROLEUM PRODUCTS PLC           | <input type="checkbox"/> |
| 9. BUA GROUP                             | <input type="checkbox"/> |
| 10. BENUE STATE GOVERNMENT BOND          | <input type="checkbox"/> |
| 11. CAP PLC                              | <input type="checkbox"/> |
| 12. CAPP AND D'ALBERTO PLC               | <input type="checkbox"/> |
| 13. CEMENT COY OF NORTHERN NIG. PLC      | <input type="checkbox"/> |
| 14. CSCS PLC                             | <input type="checkbox"/> |
| 15. CHAMPION BREWERIES PLC               | <input type="checkbox"/> |
| 16. COMPUTER WAREHOUSE GROUP             | <input type="checkbox"/> |
| 17. EBONYI STATE GOVERNMENT BOND         | <input type="checkbox"/> |
| 18. GOLDEN CAPITAL PLC                   | <input type="checkbox"/> |
| 19. INFINITY TRUST SAVINGS & LOANS       | <input type="checkbox"/> |
| 20. INTERNATIONAL BREWERIES PLC          | <input type="checkbox"/> |
| 21. INVESTMENT & ALLIED ASSURANCE PLC    | <input type="checkbox"/> |
| 22. JAIZ BANK PLC                        | <input type="checkbox"/> |
| 23. KADUNA STATE GOVERNMENT BOND         | <input type="checkbox"/> |
| 24. NEM INSURANCE PLC                    | <input type="checkbox"/> |
| 25. NEXANS KABLEMETAL NIG.PLC            | <input type="checkbox"/> |
| 26. OMOLUABI SAVINGS AND LOANS PLC       | <input type="checkbox"/> |
| 27. PERSONAL TRUST & SAVINGS LTD         | <input type="checkbox"/> |
| 28. PS MANDRIDES PLC                     | <input type="checkbox"/> |
| 29. PORTLAND PAINTS & PRODUCTS NIG. PLC  | <input type="checkbox"/> |
| 30. PREMIER BREWERIES PLC                | <input type="checkbox"/> |
| 31. RESORT SAVINGS & LOANS PLC           | <input type="checkbox"/> |
| 32. ROADS NIGERIA PLC                    | <input type="checkbox"/> |
| 33. SCOA NIGERIA PLC                     | <input type="checkbox"/> |
| 34. TRANSCORP PLC                        | <input type="checkbox"/> |
| 35. TOWER BOND                           | <input type="checkbox"/> |
| 36. THE LA CASERA CORPORATE BOND         | <input type="checkbox"/> |
| 37. UAC OF NIG. PLC                      | <input type="checkbox"/> |
| 38. UBA BALANCED FUND                    | <input type="checkbox"/> |
| 39. UBA BOND FUND                        | <input type="checkbox"/> |
| 40. UBA CAPITAL PLC                      | <input type="checkbox"/> |
| 41. UBA EQUITY FUND                      | <input type="checkbox"/> |
| 42. UBA MONEY MARKET FUND                | <input type="checkbox"/> |
| 43. UNITED BANK FOR AFRICA PLC           | <input type="checkbox"/> |
| 44. UNIC INSURANCE PLC                   | <input type="checkbox"/> |
| 45. UAC PROPERTY DEVELOPMENT COMPANY PLC | <input type="checkbox"/> |
| 46. UTC NIGERIA PLC                      | <input type="checkbox"/> |
| 47. WEST AFRICAN GLASS IND PLC           | <input type="checkbox"/> |

LAGOS: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: +234 (0)7080606400 | ABUJA: 11, Lafia Close, Area 8, Garki, Abuja. Tel: 09-2900873

PORT-HARCOURT: Plot 137, Oluobasanjo Road, (2nd floor), Port Harcourt, Rivers State. Tel: 084-303457

E-MAIL: info@africaprudentialregistrars.com | WEBSITE: www.africaprudentialregistrars.com



## E-DIVIDEND MANDATE/REPLACEMENT FORM

Dear Shareholder,

We are pleased to advise you of our new e-dividend service, which enables direct credit of your dividend(s) [new dividend payments/lost/misplaced/stale/unclaimed dividend warrants to your bank account regardless of the bank or account type, i.e Current/Savings Accounts.

Should you prefer this service, kindly fill the spaces provided below and return to us.

Please use the name(s) in which your shares are held, with the signature on your Application or Transfer Form.

Thank you.

**The Managing Director/Registrar**  
Africa Prudential Registrars Plc  
220B, Ikorodu Road, Palmgrove  
Lagos.

Company(ies) where share is held (please tick appropriate boxes like this )

- |   |  |
|---|--|
| <input type="checkbox"/> UBA Plc                      | <input type="checkbox"/> Poly Product                        |
| <input type="checkbox"/> UTC Nigeria Plc              | <input type="checkbox"/> West African Glass Industries Plc   |
| <input type="checkbox"/> SCOA Nigeria Plc             | <input type="checkbox"/> Cement Company of Northern Nig. Plc |
| <input type="checkbox"/> NEM Insurance Plc            | <input type="checkbox"/> Cappa & D'Alberto Plc               |
| <input type="checkbox"/> Jaiz International Plc       | <input type="checkbox"/> Champion Breweries Plc              |
| <input type="checkbox"/> ALUMACO                      | <input type="checkbox"/> International Breweries Plc         |
| <input type="checkbox"/> Resort Savings and Loans Plc | <input type="checkbox"/> Roads Nigeria Plc                   |
| <input type="checkbox"/> Transcorp Plc                | <input type="checkbox"/> ARM Properties Plc                  |
| <input type="checkbox"/> Computer Warehouse           | <input type="checkbox"/> Portland Paints & Products          |

Others (please specify in the boxes provided)

Please take this as authority to credit my/our under-mentioned account with any dividend payment(s)/lost/misplaced/stale/unclaimed dividend warrants due on my/our shareholding in the aforementioned company(ies) the particulars of which are stated below from the date hereof:

Shareholder's Name\*:  (Surname)  (Other Names)

Shareholder's Account No. (if Known):

Address\*:   
 Mobile Number\*:

Fax Number:  e-mail Address\*:

Bank Name\*:  Branch\*:

Bank Account No\*:  Account Type\*:

Dated this\*  day of  20

Bank Stamp & Authorized Signatories

Shareholder(s) Signatories

**Note:**

The provision of information on your Bank Name, Bank Account No., E-mail address and Mobile number are very important to enable us process your request. All asterisked fields (\*) are compulsory.

Shareholders in the North and South-south region of the country are advised to contact our Abuja or Port-Harcourt Liaison Office for all enquiries concerning shareholding in any of our client companies (see addresses below).

**Lagos**  
220B, Ikorodu Road, Palmgrove,  
PMB 12649, Marina  
Lagos.  
Tel: 01-8401153

**Abuja**  
11, Lafia Close,  
Area 8, Garki; Abuja.  
Tel: 09-8701645

**Port-Harcourt**  
Plot 137, Olu-Obasanjo Road  
(2nd floor), Port-Harcourt  
Rivers State.

E-mail: info@africaprudentialregistrars.com  
Website: www.africaprudentialregistrars.com

C005

Africa Prudential Registrars Plc

RC NO: 649007



## SHAREHOLDER DATA FORM

(\* = Compulsory fields)

1. \*SURNAME/COMPANY NAME: \_\_\_\_\_  
\_\_\_\_\_
2. \*FIRST NAME: \_\_\_\_\_
3. OTHER NAME: \_\_\_\_\_
4. SPOUSE' NAME: \_\_\_\_\_ *Optional*
5. \*MOTHER'S MAIDEN NAME: \_\_\_\_\_
6. \*E-MAIL: \_\_\_\_\_
7. ALTERNATE E-MAIL: \_\_\_\_\_
8. \*MOBILE No.: \_\_\_\_\_ 9. SEX: MALE  FEMALE
10. PHONE No. (HOME): \_\_\_\_\_
11. \*POSTAL ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

### CLIENT CONTD.

23. NEM INSURANCE PLC
24. MOLUABI SAVINGS AND LOANS PLC
25. PERSONAL TRUST & SAVINGS LTD
26. PS MANDRIDES PLC
27. PORTLAND PAINTS & PRODUCTS NIG. PLC
28. PREMIER BREWERIES PLC
29. RESORT SAVINGS & LOANS PLC
30. ROADS NIGERIA PLC
31. SCOA NIGERIA PLC
32. TARABA STATE GOVERNMENT BOND
33. TRANSCORP PLC
34. TOWER BOND
35. THE LA CASERA COMPANY - CORPORATE BOND
36. UAC NIGERIA PLC
37. UBA BALANCED FUND
38. UBA BOND FUND
39. UBA CAPITAL PLC
40. UBA EQUITY FUND
41. UBA MONEY MARKET FUND
42. UNITED BANK FOR AFRICA PLC
43. UNIC INSURANCE PLC
44. UAC PROPERTY DEVELOPMENT COMPANY PLC
45. UTC NIGERIA PLC
46. WEST AFRICAN GLASS IND PLC

Please tick against the company(ies) where you have shareholding

### CLIENTELE

- |  |  |
|--|--|
| 1. ABBEY MORTGAGE BANK PLC <input type="checkbox"/>          | 12. CEMENT COY OF NORTHERN NIG. PLC <input type="checkbox"/>   |
| 2. AFRICA PRUDENTIAL REGISTRARS PLC <input type="checkbox"/> | 13. CSCS PLC <input type="checkbox"/>                          |
| 3. AFRILAND PROPERTIES PLC <input type="checkbox"/>          | 14. CHAMPION BREWERIES PLC <input type="checkbox"/>            |
| 4. A & G INSURANCE PLC <input type="checkbox"/>              | 15. COMPUTER WAREHOUSE GROUP PLC <input type="checkbox"/>      |
| 5. ARM PROPERTIES PLC <input type="checkbox"/>               | 16. EBONYI STATE GOVERNMENT BOND <input type="checkbox"/>      |
| 6. A.R.M LIFE PLC <input type="checkbox"/>                   | 17. GOLDEN CAPITAL PLC <input type="checkbox"/>                |
| 7. ADAMAWA STATE GOVERNMENT BOND <input type="checkbox"/>    | 18. INFINITY TRUST MORTGAGE BANK PLC <input type="checkbox"/>  |
| 8. BECO PETROLEUM PRODUCTS PLC <input type="checkbox"/>      | 19. INTERNATIONAL BREWERIES PLC <input type="checkbox"/>       |
| 9. BENUE STATE GOVERNMENT BOND <input type="checkbox"/>      | 20. INVESTMENT & ALLIED ASSURANCE PLC <input type="checkbox"/> |
| 10. CAP PLC <input type="checkbox"/>                         | 21. JAIZ BANK PLC <input type="checkbox"/>                     |
| 11. CAPP A AND D'ALBERTO PLC <input type="checkbox"/>        | 22. KADUNA STATE GOVERNMENT BOND <input type="checkbox"/>      |

### DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_  
*for joint/corporate accounts only*

OTHERS: \_\_\_\_\_

LAGOS: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400 | ABUJA: 11, Lafia Close, Area 8, Garki, Abuja. Tel: 09-2900873

PORT-HARCOURT: Plot 137, Olu-Obasanjo Road (2nd floor), Port Harcourt, Rivers State. Tel: 084-303457

E-MAIL: info@aficaprudentialregistrars.com | WEBSITE: www.aficaprudentialregistrars.com

Africa Prudential Registrars

# PROXY FORM

## UACN PROPERTY DEVELOPMENT COMPANY PLC

17th Annual General Meeting to be held at 10am on Tuesday 1st September, 2015 at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos

being a member/members of **UACN PROPERTY DEVELOPMENT COMPANY PLC**

do hereby appoint

\_\_\_\_\_ or failing him the Chairman of the Meeting as my/our proxy to vote for me/us on our behalf at the General Meeting of the Company to be held on Tuesday 1st September, 2015 and at every adjournment thereof

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Shareholder's signature \_\_\_\_\_

### NOTES

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to attend by proxy. The above form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked\*) the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. Please sign the above proxy form and post it so as to reach the address shown over leaf not later than 5.00 p.m. on Friday 28th August, 2015. If executed by a corporation, the proxy form should be sealed with the Common Seal and signed.
4. The proxy must produce the Admission form sent with the Report and Accounts to obtain entrance to the Meeting.
5. The proxy form should not be completed and sent to the address if the member will be attending the meeting in person.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
<b>ORDINARY BUSINESS</b>			
To declare Dividend			
To re-elect Mr. Abdul A Bello as a Director			
To re-elect Mr. Adekunle O Awojobi as a Director			
To appoint Ernst & Young as External Auditor			
To authorize the directors to fix Auditor's remuneration			
To elect members of the Audit Committee			
<b>SPECIAL BUSINESS</b>			
To fix the remuneration of Directors			
To approve increase in authorized share capital			
To approve capital raising programme			

**IF YOU ARE UNABLE TO ATTEND, PLEASE**

- (a) Write the name of your proxy (if any) where marked.\*
  - (b) Ensure that the form is signed by you and stamped with COMMISSIONER OF STAMP DUTIES.
  - (c) Tear the proxy form along the perforated lines and post so as to reach the address shown overleaf not later than 24 hours before the time of holding the meeting.
- 

**ADMISSION FORM**

**UACN PROPERTY DEVELOPMENT COMPANY PLC**

**Annual General Meeting Admission Card**

**Please admit**

to the 17th Annual General Meeting of **UACN PROPERTY DEVELOPMENT COMPANY PLC**

which will be held at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos on Tuesday, 1st September, 2015 at 10am

**IMPORTANT NOTICE:**

- 1. This admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
- 2. Shareholders or their proxies are requested to sign the admission card in the appropriate place before attending the Meeting

**GODWIN A SAMUEL, ESQ**

COMPANY SECRETARY

---

**UACN PROPERTY DEVELOPMENT COMPANY PLC**

**17th Annual General Meeting Admission Card**

**Name and Address of Shareholder**

**Signature of person attending**

SHAREHOLDER \_\_\_\_\_

PROXY \_\_\_\_\_



# THE PREMIUM LIFE

Positioned in close proximity to the Abuja Central District and designed to house the powerful and highly influential, Metro City exudes the serenity you need after your daily activities in the nation's capital. Built to exceptional standards, Metro City is a premium residential estate carefully crafted to accommodate your daily needs.



## FACILITIES

- 24/7 power supply
- Sewage treatment plant
- Water treatment plant

## FEATURES

- Swimming pool
- Gymnasium
- Children's play area
- Multi-purpose hall
- Neighbourhood shopping

## CALL:

Idongesit - 07045507894,  
Bidemi - 07043050097,  
Titilayo - 07043050195.

For more information,  
visit [www.updcplc.com](http://www.updcplc.com)



...We are value everywhere ...working value in Africa



RC321582

uacn property development company plc  
...building for sustainable value



**OFFICE ADDRESS:**

UAC House  
1 - 5 Odunlami Street,  
P. O. Box 156, Lagos  
Tel: +234 704 305 196  
+234 704 305 195  
Fax: +234 1 2702202  
Careline: +234 1 7389363

Email: [careline@updeplc.com](mailto:careline@updeplc.com)  
Website: [www.updeplc.com](http://www.updeplc.com)