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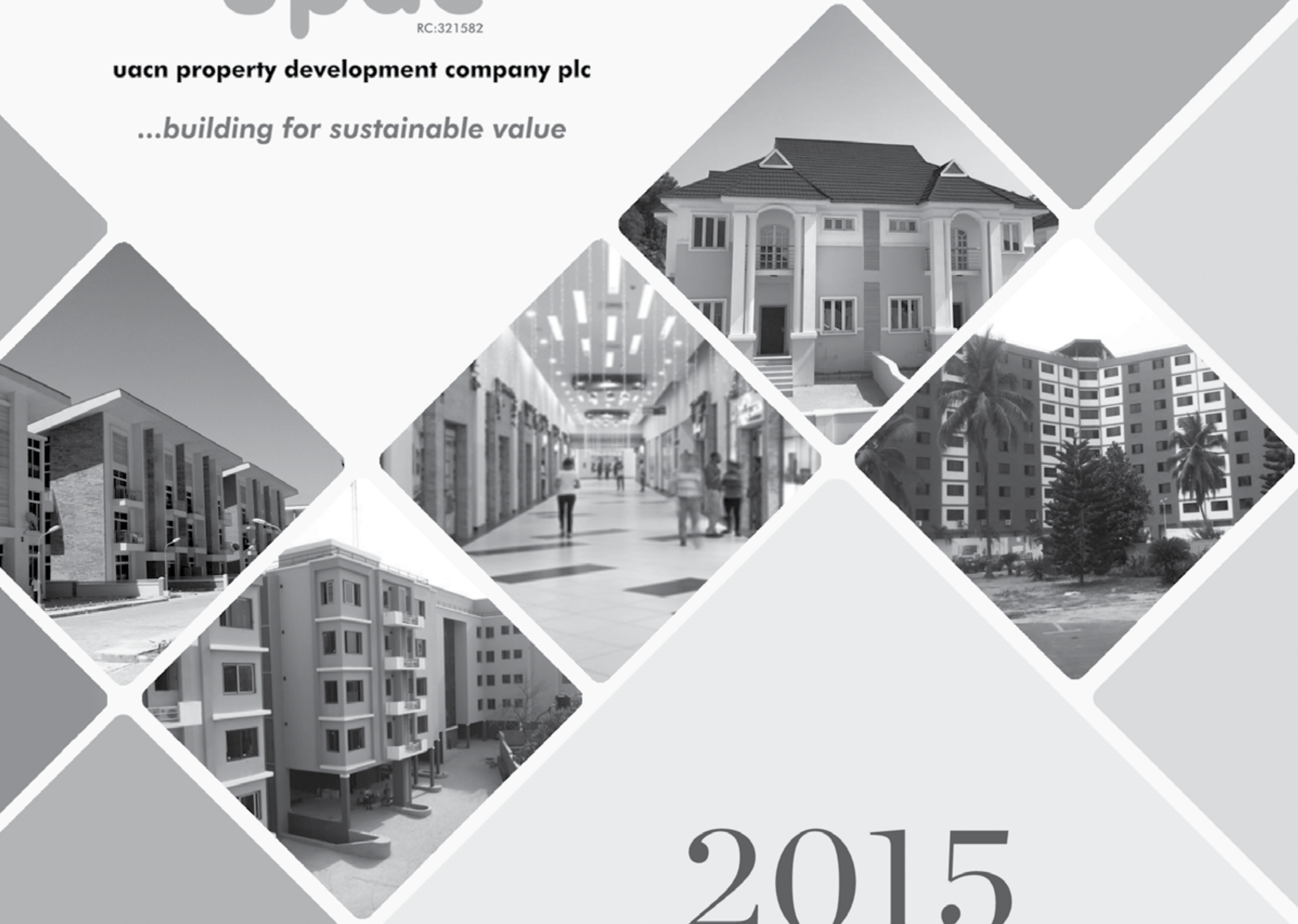
uacn property development company plc

...building for sustainable value



2015
ANNUAL REPORT

Metrocity

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,
Titilayo - 07043050195.

For more information, visit www.updcplc.com

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

THE RESIDENCES
FESTAC

Living Room of a Sample Apartment (1st view)

Bedroom of a Sample Apartment

Living Room of a Sample Apartment (2nd view)

CONTEMPORARY LIVING AT ITS FINEST

The modern world calls for modern living. THE RESIDENCES incorporates all the necessary amenities needed for a comfortable lifestyle, and merges them with surroundings designed to keep you entertained and excited at all times. Situated on the same premises as the Golden Tulip Hotel and Festival Mall, THE RESIDENCES offers an abundance of benefits within its walls.

AVAILABLE UNITS
- 1 bedroom condominiums
- 2 bedroom condominiums

FACILITIES
- 24/7 power supply
- Sewage treatment plant
- Borehole & water treatment plant
- Fire alarm system
- Burglar alarm system

FEATURES
- Excellent security, further emphasized by its proximity to Golden Tulip Hotel and Festival Mall
- Part of a node which offers opportunities for international & local brand shopping and entertainment
- Attractive yield on investment
- Assurance of great capital appreciation

For sales enquiries and inspection of the sample apartments, please call:

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

For more information, visit www.updcplc.com

Whilst information in this document is believed to be correct, it is intended for guidance only and does not constitute or form part of a contract or agreement. We adopt a policy of continuous upgrading/improvement and thereby reserve the right to alter this general specification and price without notice.

The Consolidated and Separate Financial Statements, which are in line with the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act (CAMA) CAP C20 Law of the Federation of Nigeria 2004 and the Financial Reporting Council (FRC) Act have been independently audited by Ernst & Young.

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 operated.

The report covers the operation of UACN Property Development Company (UPDC) Plc. and its subsidiaries for the financial year ended 31st December 2015.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 18th 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 on Tuesday 17th May, 2016 at 10:00 o'clock in the forenoon in order to transact the following businesses:

Ordinary Business

1. Lay before the Members the Report of the Directors, the Consolidated and Separate Statement of Financial Position of the Company as at 31st December 2015, together with the Consolidated and Separate Statement of profit or loss for the year ended on that date and the Reports of the Auditors and the Audit Committee thereon.
2. Re–elect / elect Directors
3. Authorize the Directors to fix the Remuneration of the Auditors
4. Elect Members of the Audit Committee

Special Business

5. Fix the remuneration of the Directors
6. To consider and if thought fit, pass the following resolution as an ordinary resolution: "That subject to The Rules of the Nigerian Stock Exchange governing Transactions with Related Parties or Interested Persons, a general mandate be and is hereby given for the Company to enter into related party transactions of a value equal to or more than:
    - 5% of the Company's latest audited net tangible assets; or
    - 5% of the Company's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the financial year; or
    - 5% of the issued share capital

    Subject to the following:

    i) The transactions with the related Companies are in the ordinary course of business and are of normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;

    ii) The class of interested persons with which the Company will be transacting are subsidiaries of the Company;

    iii) The rationale for the transactions are that they are very necessary to the operations of the Company;

    iv) The method or procedure for determining transaction prices is based on the Company's transfer Price Policy;

    v) Disclosure will be made in the annual report of the aggregate value of transactions conducted pursuant to this general mandate.

The Directors be and are hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions as authorized by this ordinary resolution.

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 him 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 the 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 29th day of March, 2016
By Order of the Board

Godwin A Samuel, Esq.,
Company Secretary
FRC/2013/NBA/0000000608

Registered Office
UAC House
1–5 Odunlami Street, Lagos.

NOTES

Audit Committee
The Audit Committee consists of three (3) shareholders and three Directors. 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 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.

By a recent rule of the Financial Reporting Council, any person attesting, as Chairman of Audit Committee, to annual report, financial statements, accounts, financial report, returns and other documents of a financial nature, shall be a professional member of an accounting body established by Act of National Assembly in Nigeria.

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 unclaimed dividends list has been uploaded on the Company's website. Affected members are by this notice advised to contact the Registrars (Africa Prudential Registrars Plc) at their office at 220B, Ikorodu Road, Palmgrove, Lagos or call them on 01-4606460 during normal business hours to revalidate their dividend warrants and update their contact information.

Annual Report & Unclaimed Dividend List
Shareholders who wish to receive electronic copies of the Annual Report and Unclaimed Dividends list should please send their names and e-mail addresses to the Registrars at **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. Forms are attached to the Annual report for completion by all shareholders to furnish the particulars of these accounts to the Registrar (Africa Prudential Registrars Plc) as soon as possible.

Rights of Securities' Holders to ask Questions
Securities' Holders have a right to ask questions not only at the meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before 10th day of May 2016.

Board of Directors, Professional Advisers etc

Board of Directors

Mr. Larry Ephraim Ettah	Non-Executive Chairman
Mr Hakeem Bamidele Ogunniran	Managing Director
Mrs Halima Tayo Alao	Non-Executive Director
Prof Okon Asuquo Ansa	Non-Executive Director
Mr Adekunle O Awojobi	Non-Executive Director
Mr. Abdul Akhor Bello	Non-Executive Director
Mrs Folasade Oluwatoyin Ogunde	Finance Director (retired with effect from 15/04/2016)
Mrs. Adeniun Folasade Taiwo	Finance Director (appointed with effect from 18/04/2016)

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 will be 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

Auditors
Ernst & Young
Chartered Accountants
10th & 13th Floors
UBA House
Marina, Lagos

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%

PERFORMANCE HIGHLIGHTS

	2015 N'000	2014 N'000	% change Inc/(dec)
Revenue	5,120,932	11,700,506	(56%)
Profit before taxation and non-controlling interests	55,851	3,540,525	(98%)
Taxation	324,926	48,552	569%
Total comprehensive income	380,778	2,480,342	(85%)
Non-controlling interests	(40,990)	(12,620)	(225%)
Profit attributable to equity holders of the company	421,768	3,601,697	(88%)
Shareholders' funds	35,695,172	36,132,780	(1%)
Earnings per share (kobo)	25	210	(88%)
Net assets per share (Naira)	20.70	21	0%
Market price per share as at 31st December (Naira)	6.09	9.50	(36%)
Market capitalization	10,467,188	16,328,125	(36%)

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 (Plc) 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.

We have successfully developed residential and commercial properties in Lagos (Cameron Green, Ikoyi; Metro Gardens, Lekki; Grandville, GRA – Ikeja; etc.), Abuja (Salatu Royal Estate, Wuse II; Emerald Court, Apo; Metro City, Apo; Securities & Exchange Commission Office, Auditor General of the Federation's office Complex, 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

- The Residences, Festac – Lagos
- Olive Court, Agodi GRA – Ibadan
- The Pinnacle, Maitama – Abuja
- Pineville, Asaba
- Golf Estate, Calabar
- James Pinnock Place, Lekki – Lagos
- Alexander Miller Apartments, Lekki – Lagos

Upcoming Projects

- Victoria Mall Plaza Phase 3 (Multi-storey Car Park and Event Centre), Victoria Island – Lagos
- Galaxy Mall and Galleria, Kaduna

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: +234 704 652 9255
Email: careline@updcplc.com; Web Address: www.updcplc.com

BOARD OF DIRECTORS

Mr. Larry E Ettah, 52

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, 53

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, 59

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, 55

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, Harvard Business School and IMD, Switzerland. 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 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 Adeniun Folasade Taiwo, 41

Mrs Taiwo is a member of the Institute of Chartered Accountants of Nigeria with over sixteen (16) years experience in external and internal audit services, corporate governance, risk management and accounting advisory services. She holds Higher National Diploma in Accounting and a professional certificate in IFRS from ACCA. She acquired deep professional experience spanning over thirteen years (13) across various industries, notably, oil and gas, financial services, consumer markets, telecommunications and public sector at KPMG Professional Services. She was a Senior Manager in KPMG before joining UAC of Nigeria Plc in 2012 as Head, Financial Services, a position she held prior to joining UAC Property Development Company Plc. She is an alumnus of Ashridge Business School. She was appointed Finance Director with effect from April 18, 2016.

Mr Adekunle O Awojobi, 49

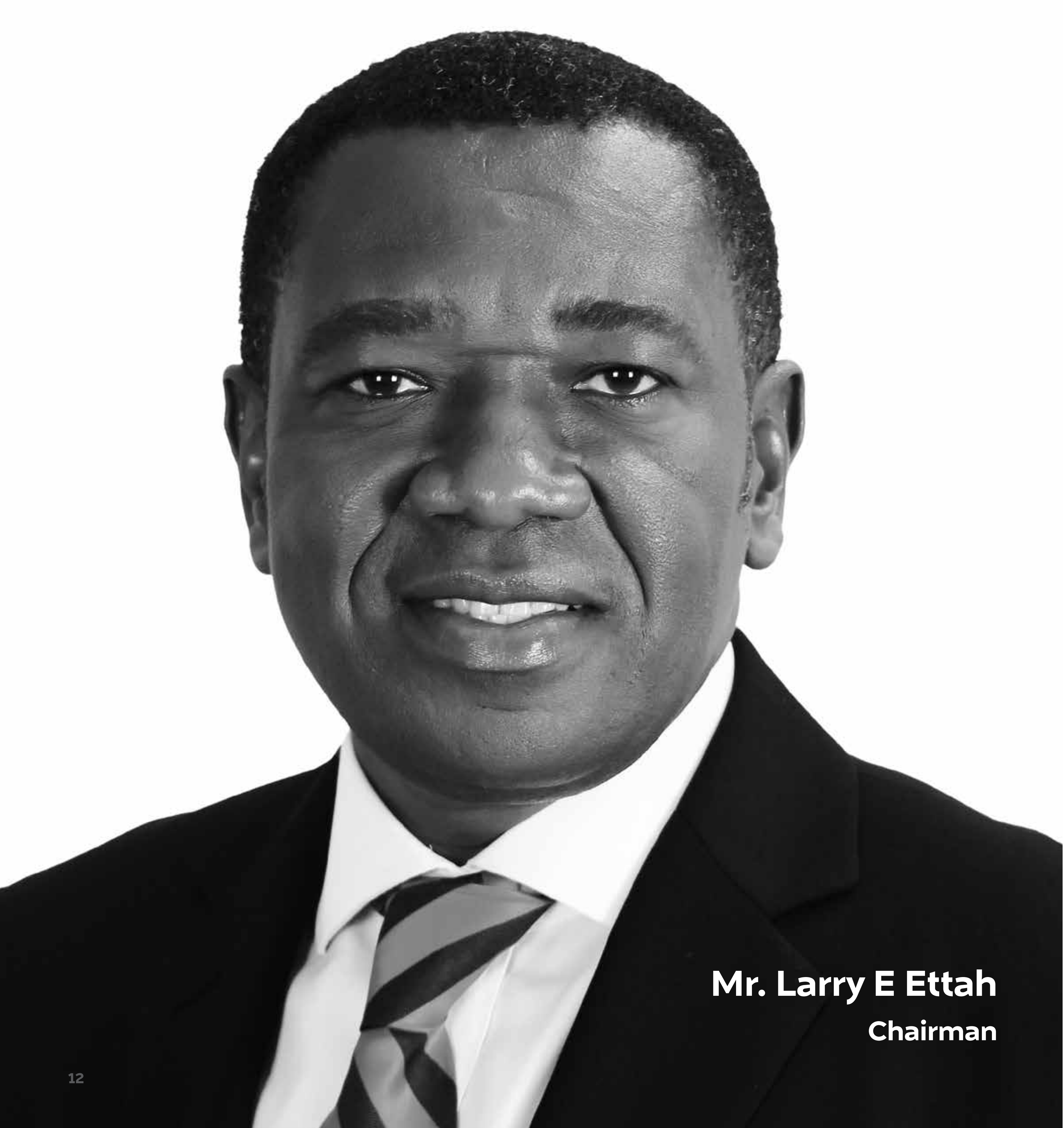
Mr. Awojobi is a Fellow of the Institute of Chartered Accountants of Nigeria, Nigeria Institute of Management, Certified Fraud Examiner and Member Institute of Internal Auditors. He also holds a Bachelor of Science degree in Economics with First Class Honours from Ogun State University (now Olabisi Onabanjo 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, 64

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.



Mr. Larry E Ettah
Chairman

CHAIRMAN'S LETTER TO STAKEHOLDERS

Distinguished Shareholders, Colleagues, Ladies and gentlemen, I am pleased to welcome you all to the 18th Annual General Meeting (AGM) of our Company, UACN Property Development Company (UPDC) Plc. holding today Tuesday, May 17th, 2016, at the Arthur Mbanefo Hall, Golden Tulip Hotel, Festac, Amuwo Odofin, Lagos.

Review of Operating Environment

In 2015, global economic activity remained subdued. Growth in emerging markets and developing economies – while still accounting for over 70 percent of global growth – declined for the fifth consecutive year. The average global growth rate in 2015 was 2.8% compared to the 3.6% forecast by the International Monetary Fund (IMF) in its World Economic Outlook (WEO) report.

The key transitions that influenced the global outlook were the gradual slowdown and rebalancing of economic activities in China away from investment and manufacturing toward consumption and services, the lower prices for energy and other commodities, and the gradual tightening in monetary policy in the United States.

These developments together with market concerns about the future performance of the Chinese economy had spillovers on other economies through trade channels and weaker commodity prices.

Oil prices declined markedly from H2 2015, reflecting expectations of sustained increases in production by the Organization of Petroleum Exporting Countries (OPEC) members amid continued global oil production in excess of oil consumption. Lower oil prices strained the fiscal positions of fuel exporters and weighed in on their growth prospects.

The Nigerian Economy

Nigeria as a member of the global village is of course vulnerable to negative movements in world financial and trade markets.

Headline inflation closed at 9.6% in December 2015, having picked up on seasonal demand pressures. The honeymoon period for the new administration after the election victory of March 2015 was short. It inherited a poor economic legacy that has steadily deteriorated. Growth was already slowing and the oil price was firmly on a downward trend, with immediate negative consequences for the public finances, the forex market and official reserves.

The Nigerian All Share Index (ASI) shed -17% in 2015, slightly worse than the -16% we saw in 2014. Falling oil prices and increased instability in the north continued to impact Nigeria's economic growth in 2015. For the latter half of 2015, the headline story was the fall in global oil prices. Like many hydrocarbons-producing economies, Nigeria has been impacted by the sharp drop in oil prices with earnings from oil accounting for 80% of government revenue according to the International Monetary Fund (IMF).

According to the National Bureau of Statistics (NBS) reports, Nigeria's GDP grew by 2.84% in 2015 against 6.35% in 2014. The Non-oil sector of the economy remained the principal driver of economic activities during the period.

Despite the demand pressure on the Naira, the CBN refused to devalue the currency as the CBN Governor and his team are of the opinion that the pressure was more speculative rather than transactionary.

The Nigerian Real Estate Industry
As in almost all of Africa's markets, demand for high-quality retail, office and industrial accommodation outstrips supply.

The Nigerian real estate market recorded significant growth in last decade in response to demand for residential & commercial properties. Growth in the commercial segment is driven by new investments in high growth sectors like retail, hospitality/tourism and telecommunications. Spike in demand for residential housing is linked to population growth & rising income levels (emergence of middle class).

Although real estate development activity is increasing in several states of the federation, demand & supply for commercial and residential properties remain predominant in Lagos, Abuja and Port Harcourt.

Meanwhile, the challenges of inadequate mortgage financing and poor infrastructure continue to adversely impact effective demand in the medium/low segments of the residential housing market.

There are indications of over-supply in the premium market segments evidenced by high vacancy factors and declining rentals in Ikoyi, Victoria Island and Abuja.

The retail sector of the market though still on a growth path is also experiencing challenges arising from the recent worsening of the exchange rate situation, the CBN directives prohibiting dollar transactions and restrictions placed on commodity imports at the official rate of exchange. Most retailers in existing malls are consequently demanding reduced rentals and occupancy levels are already adversely affected.

Review of Operations
Despite the challenging business environment, the Company continued its ongoing developments in 2015 and commenced some new ones.

In the premium residential category, Phase 1 of Olive Court, Agodi Ibadan, a joint venture with the Oyo State Government was delivered in December 2015. Phased development of Pineville Estate in Asaba is also ongoing and will be delivered to buyers this year.

The refurbishment of Festac Block B into a 192-unit apartment block (named The Residences) started in September 2014 continued in the year and 33 units were delivered to buyers by December 2015. The remaining units will be delivered this year.

Construction work is also ongoing on Golf Estate, a 60-unit residential development located at Summit Hills, Calabar. The project, a joint venture with the Cross River State Government is being executed in phases and planned for completion in 3 years.

In the luxury/premium residential category, finishing work is far advanced on the 27-unit Pinnacle Apartments, Maitama Abuja (a joint venture with Imani & Sons Nig. Ltd). Work is currently ongoing on James Pinnock Place, Lekki, an 82-unit development being executed jointly with the UPDC REIT. It is heartwarming to note that all 82 units have been committed to sale off-plan. Work is also advancing steadily on Alexander Miller Apartments, a 38-unit residential development also in Lekki. We expect to deliver these estates to buyers later this year.

On the retail side of development, the Company entered into a joint venture with the Kaduna State Government for the construction of the Galaxy Mall & Galleria in the city of Kaduna. Ground breaking was done in January 2016 and re-development activities are in top gear.

Piling work has also commenced on the VMP3 multi-level Car Park & Event Centre on Bishop Aboyade Cole, Victoria Island, Lagos.

It's pertinent to note that the cost of debt service was very high in 2015, as a direct result of the high leverage situation and high interest regime that persisted through the year. This prompted the request brought to you at the last AGM in September 2015 for an equity raise via a Rights Issue programme to permanently reduce the leverage situation. We hereby solicit your support for the rights issue, as we shall soon commence the marketing of same after obtaining the relevant regulatory approvals.

The Board also took a decision to impair UPDC's equity in the hotel business (N2.08b), which had a major adverse impact on the PBT for the company. A further impairment of N473m was passed on the group result based on a market valuation of the hotel asset in June 2015.

On the positive side, Festival Mall was commissioned in December 2015 and with increasing traffic to the mall and completion of The Residences apartments, it is expected that this will become a destination of note in the Festac axis which should improve the hotel's performance in the foreseeable future.

Financial Performance

The Company posted revenue of N3.74b (Group N5.12b) as against 2014 revenue of N10.08b (Group N11.70b).

Loss before taxation was N1.80b (Group N30.76m profit) against N2.04b and Group's N3.54b in 2014. In view of this performance, the Board, regrettably will not be recommending the payment of dividend for the year under review.

Outlook for 2016

The FGN set out its expansionary plans in 2016 budget and the 2016-18 expenditure frameworks. The chosen policy response is fiscal.

However, growth will be subdued until there is a strong recovery of budget revenues to fund the administration's planned capital programmes and social investment. This recovery hinges upon the success of its non-oil revenue collection and/or a surprising lift to the oil price.

The official rate of the naira may depreciate further due to sustained pressure on the currency and this will consequently give rise to a spike in inflation to about 12%.

The CBN could further increase the MPR to 13% per annum and the CRR to 25% for the purposes of assuaging the pressure on the Naira.

Oil prices are expected to recover to about $55pb and consequent production increases by H1, 2016. The perennial scarcity of fuels may finally be a thing of the past with the un-bundling of NNPC.

Generally, the policy direction of the new administration will determine economic prospects. The step up in the anti-corruption drive could attract foreign investors as well as recover some missing funds which could be used for infrastructural development.

Notwithstanding these challenges, there's room for optimism that the real estate sector will continue to thrive in 2016.

For UPDC, we remain focused and are well positioned to take advantage of emerging opportunities. Our strategy for 2016 and beyond includes deleveraging the business through equity capital injection by way of Rights Issue, sell down of surplus stake in the REIT and disposal of low-performing assets. We will also continue to leverage on partnerships and alliances that are in sync with the company's long term goals.

Board Change

Since the last Annual General Meeting, Mrs Folasade Oluwatoyin Ogunde, our Finance Director has proceeded on retirement after many years of meritorious service to the Company and UAC group. On your behalf, I would like to thank Mrs Ogunde for her contributions to the Company and wish her a rewarding retirement and the very best in her future endeavours. In the same vein, I would like to present to you Mrs Adeniun Folasade Taiwo who has joined your Board as Finance Director. We wish her a successful tenure.

Appreciation

I wish to thank you, our esteemed Shareholders for your steadfast interest in our Company. I also thank all our customers, consultants, contractors and other stakeholders for your continuing support even in these challenging times.

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

I thank you all for your attention.

Larry Ephraim Ettah
Chairman
FRC/2013/IODN/00000002692

CORPORATE SOCIAL RESPONSIBLITY

2015 Nigeria Conservation Foundation Walk for Nature

Refurbishment of Amuwo Odofin Local Government Vocational Centre

FESTIVAL MALL

Festival Mall Commissioning

GALAXY MALL GROUNDBREAKING

GOVERNOR ABIOLA AJIMOBI OF OYO STATE AT THE OFFICIAL COMMISSIONING OF OLIVE COURT, AGODI GRA,IBADAN

DIRECTORS' REPORT

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

Operating results

	2015 N'000	2014 N'000	% change Incr/ (decr)
Revenue	5,120,932	11,700,506	(56%)
Operating profit before impairment	528,851	3,540,524	(85%)
Profit before taxation	55,851	3,540,524	(98%)
Taxation	324,926	48,552	569%
Profit after taxation before non-controlling interests	380,778	3,589,077	(89%)
Non-controlling interests	(40,990)	(12,620)	(225%)
Profit after taxation and non-controlling interests	421,768	3,601,697	(88%)
Dividend proposed	–	859,375	

Dividend
The directors do not recommend the declaration of any dividend to the shareholders in view of the poor performance.

Directors' interests in shares

	31 December 2015		31 December 2014	
	Direct holdings	Indirect holdings	Direct holdings	Indirect holdings
Mr. Larry Ephraim Ettah	2,861,023	790,625,000	2,861,023	790,625,000
Mr. Hakeem Dele Ogunniran	250,781	–	250,781	–
Mrs. Folasade Oluwatoyin Ogunde	183,750	–	183,750	–
Mr. Abdul Akhor Bello	156,250	–	156,250	–
Mr. Adekunle Olakitan Awojobi	–	148,602,252	–	148,602,252
Mrs. Halima Tayo Alao	74,973	–	39,493	–
Prof. Okon A. Ansa	–	–	–	–
	3,526,777	**939,227,252**	**3,491,297**	**939,227,252**

Directors interest in contracts (2015 FS)
Some of the Directors gave notices for the purposes of section 277 of the Companies and Allied Matters Act, 1990 to the effect that they are Directors of some specified entities which could be regarded as interested in some contracts with the group during the year under review.

Analysis of Shareholding

	Members shareholding		
	Shareholders number	**Shareholding number**	**Shareholding percent**
Directors and connected persons	7	3,526,777	0.21
UAC of Nigeria Plc	1	790,625,000	46.00
FBN Trustees Nigeria Ltd	1	148,602,252	8.65
Individuals	26,866	207,825,093	12.09
Other corporate bodies	1,816	568,170,873	33.06

Corporate Social Responsibility (CSR) Report

UPDC, as a member of the Nigerian Conservation Foundation (NCF) co-sponsored the 2015 "Walk for nature" which took place on 24th October, 2015. The event whose theme was "Forest Recovery – Our Mandate" 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 and Sponsorships

	N
Donation-book launch-Nigeria Tax Law & Admin	200,000
Sponsorship of training workshop	500,000
2015 Real Estate unite	1,000,000
Association of Professional Women Engineers of Nigeria	200,000
Kings College – Sponsorship of event	1,000,000
	2,900,000

Employment policy, employee welfare, safety & environmental issues

UPDC is an equal opportunity employer. It is a fundamental 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.

Consequently, UPDC is committed to:

1. Encouraging and assisting each employee develop his/her chosen career;
2. 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 periodically trains its workforce 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 promotes occupational health by providing 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. One week paternity leave up to four times in their career, is also granted to male employees when their wives deliver 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, Business Review Meetings, Village Meetings, Project Integration Meetings and Leadership Team Meetings are held for cross-exchange of ideas and critical business information dissemination.

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 time and budget. A Sales Incentive Scheme was introduced to encourage all employees to participate in selling our products. All these initiatives boost employee morale which in turn impacts productivity.

Employee Engagement, Development and Training

Our policy recognizes that people are the most important resource of the organization. Hence, retention and motivation of our skilled work force is achieved through systematic training and development. Our Company provides general, professional and leadership trainings as well as tuition reimbursement support to employees who 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.

An ExclusiveHAVEN in ASABA

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

Facilities

Recreational Facilities include:

- Swimming Pool
- Gymnasium
- Children's Playground

PINEVILLE
G.R.A. ASABA

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

For more information, visit www.updcplc.com

Whilst information in this document is believed to be correct, it is intended for guidance only and does not constitute or form part of a contract or agreement. We adopt a policy of continuous upgrading/improvement and thereby reserve the right to alter this general specification and price without notice.

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

FLEXIBLE PAYMENT PLANS AVAILABLE.

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

Whilst information in this document is believed to be correct, it is intended for guidance only and does not constitute or form part of a contract or agreement. We adopt a policy of continuous upgrading/improvement and thereby reserve the right to alter this general specification and price without notice.

CALL:
Rajuno - 07043050139
Richard - 07043051021
Titilayo - 07043050195

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

For more information, visit www.updcplc.com

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 UACN Code of Business Conduct.

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 UACN Property Development Company 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 deliberation 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 Bamidele Ogunniran. The other Executive Director is Mrs Folasade Toyin 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 and 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 Conduct, 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 Corporate Head Office and Subsidiary Companies. Project visits are also arranged for the new Director to meet the leadership teams and get acquainted with business operations.

During the year, all the Directors attended UAC Group Board and management retreat focused on Board Effectiveness, Strategy and recent developments in corporate governance facilitated by 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	19/3/2015	28/4/2015	28/7/2015	1/9/2015	27/10/2015	1/12/2015
Mr. Larry Ettah	P	P	P	P	P	P
Mr. Adekunle Awojobi	P	P	P	P	P	P
Mr. Hakeem Ogunniran	P	P	P	P	P	P
Mr. Abdul Bello	P	P	P	P	P	P
Mrs. Folasade Ogunde	P	P	P	P	P	P
Mrs. Halima Alao	P	P	P	P	P	P
Prof. Okon Ansa	P	P	P	P	P	P

Key:

P = Present

Board Evaluation

A Board performance evaluation was undertaken in 2015. On the balance, the comments on the performance of the Board, Board Committees, Board members, governance structures of the Company, oversight role of the Board and adequacy of information and conduct of meetings were positive. Areas for improvement were identified for necessary action by all concerned.

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. Adekunle 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) The Risk & Governance Committee has the following terms of reference: Oversees risk management within the group and it 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 review and audit 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 monitor the implementation of audit comments by management and make 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 to determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the Executive Directors, 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 evaluate and report 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 review and recommend 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 make 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 make 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 members of the Committee at such meetings:

DIRECTORS	18/3/2015	27/7/2015	26/10/2015
MR. ADEKUNLE AWOJOBI	P	P	P
PROF. OKON ANSA	P	P	P
MR. HAKEEM OGUNNIRAN	P	P	P
MRS. FOLASADE OGUNDE	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 financial approval for the purchase, development and construction of project initiatives 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 Board on above matters prior to the submission of the project (s) to the Board for final approval and make recommendations as appropriate.
c. Following approval of project (s), 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	17/2/2015	20/4/2015	21/7/2015	13/10/2015
Mr Abdul Bello	P	P	P	P
Mrs Halima Alao	P	P	P	P
Mr Hakeem Ogunniran	P	P	P	P
Mrs Folasade Ogunde	P	P	P	P
Mr Adekunle 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 Business Conference of the Company to give the employees feedback from the 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 executional 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 for Finance & IT Managers review; Human Resources Managers meeting; Legal Risks, Compliance and Cost review meeting; and quarterly marketing & sales conference.

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 a 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, Ernst & Young, our Independent/External Auditors and Risk & Compliance Manager of the Company.

Committee's Meetings

The following table shows members' attendance at the five meetings of the Committee in 2015:

DIRECTORS	13/1/2015	17/3/2015	11/6/2015	20/7/2015	19/10/2015
Alhaji Gbadebo Olatokunbo	P	P	P	P	P
Mr. Joe Anosikeh	P	P	P	P	P
Mrs Folasade Ogunde	P	P	P	P	NLAM
Mr Abdul Bello	P	P	P	P	P
Prof Okon Ansa	P	P	P	P	P
Engr Taiwo Fawole	P	P	P	P	P
Mrs Halima Alao	NYAM	NYAM	NYAM	NYAM	P

Keys:
P:Present
NLAM: No Longer A Member
NYAM: Not Yet A Member

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 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. Internal Audit and Whistle Blowing services have been outsourced to KPMG Professional Services.

In line with the requirements of the Code of Corporate Governance in Nigeria, Messrs PricewaterhouseCoopers retired as the Company's External Auditors in the course of the year and were replaced by Ernst & Young. In line with best practice, our Finance Director also ceased to be a member of the Audit Committee during the year.

Trading in Securities Policy
In compliance with the Rules of the Nigerian Stock Exchange, 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 price sensitive matter whichever is earlier, up to 24 hours after the price sensitive information is submitted to the NSE. The trading window shall thereafter be opened.

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.

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 fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, the maintenance of an organisation 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 UAC of Nigeria 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

29th March 2016

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, 2015 and report as follows:

(a) The accounting and reporting policies of the Group and the 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, 2015 were, in our opinion adequate.
(c) We reviewed the findings and recommendations in the Internal Auditor's Report and External Auditor's Management Letter and were satisfied with the management responses thereto.
(d) The Company maintained effective accounting and internal control system.

Dated 21st day of March, 2016

Alhaji Gbadebo Olatokunbo
FRC/2013/IODN/00000002448
Chairman – Audit Committee

Members of the Committee

1. Alhaji Gbadebo Olatokunbo – Chairman
2. Mr. Joe O. Anosikeh – Member
3. Architect (Mrs.) Halimat T. Alao – Member
4. Mr. Abdul Akhor Bello – Member
5. Prof. Okon A. Ansa – Member
6. Engr. Taiwo G. Fawole – Member

Secretary
Godwin A Samuel, Esq.,

Prof. Okon A. Ansa   Mr. Joe Anosikeh   Alhaji Gbadebo Olatokunbo   Arch. (Mrs.) Halimat T. Alao   Engr. Taiwo G. Fawole   Mr. Abdul Bello

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UACN PROPERTY DEVELOPMENT COMPANY PLC

We have audited the accompanying Consolidated and Separate Financial Statements of UACN Property Development Company Pie (the company) and its subsidiaries (together, the group). These financial statements comprise the consolidated and separate statement of financial position as at 31 December 2015, consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidate and separate statement of cash flows for the year then ended, and the Notes comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these Consolidated and Separate Financial Statements in accordance with International Financial Reporting standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated and Separate 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 these Consolidated and Separate Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated and Separate Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated and Separate Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated and Separate Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Consolidated and Separate 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, if any, made by the Directors, as well as evaluating the overall presentation of the Consolidated and Separate Financial Statements.

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

Opinion

In our opinion, the Consolidated and Separate Financial Statements give a true and fair view of the financial position of UACN Property Development Company Pie and its subsidiaries as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Other matter

The Consolidated and Separate Financial Statements of UACN Property Development Company Pie and its subsidiaries for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 March 2015.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, 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 purpose of our audit;

ii. in our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books; and

iii. the Group's consolidated and separate statement of financial position and consolidated and separate statement of profit or loss and other comprehensive income are in agreement with the books of account.

Yusuf Aliu,
FCA/FRC/2012/ICAN/00000000138

For: Ernst & Young
Chartered Accountants
Lagos, Nigeria

30 March 2016

CORPORATE SOCIAL RESPONSIBILITY REPORT 2016

UPDC partnered with Lions Club International, District 404A1 to provide free eye screening for 100 children with Downs Syndrome and also provided 50 medicated eye glasses for them at the lecture of the club which took place on 2nd June,2015 at the Media Centre, National Stadium, Surulere, Lagos.

The 2015 edition of the Nigerian Conservation Foundation 'Walk for Nature" took place on 24th of October, 2015 with the theme 'Forest Recovery – Our mandate'. Being a member of the Nigerian Conservation Foundation as a result of its environment friendly policy, UPDC co– sponsored and participated in the walk which had children from different schools in attendance.

UPDC helped a partially blind man, Mr. Sunday John set up a vocational business and purchase a guide walking stick. He had undergone vocational training and needed to set up a business to cater for himself and his family.

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

		The Group		The Company	
	Notes	**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
Revenue	5	5,120,932	11,700,506	3,738,326	10,081,316
Cost of sales	7	(3,601,592)	(9,870,826)	(2,519,952)	(8,434,341)
Gross profit		**1,519,340**	**1,829,680**	**1,218,374**	**1,646,975**
Fair value gains on investment properties	15	252,678	1,541,406	252,678	1,541,406
(Loss) / Gain on disposal of investment properties	15	(57,365)	486,857	(57,365)	486,857
Selling and distribution expenses	7	(107,160)	(219,240)	(16,241)	(57,265)
Administrative expenses	7	(1,378,742)	(1,367,260)	(768,063)	(801,675)
Other operating income	6	575,284	225,625	1,719,625	1,155,365
Operating profit		**804,035**	**2,497,068**	**2,349,009**	**3,971,663**
Finance income	8	607,981	721,787	607,981	721,787
Finance cost	8	(2,670,625)	(2,657,289)	(2,670,625)	(2,657,289)
Net finance cost		(2,062,644)	(1,935,502)	(2,062,644)	(1,935,502)
Share of profit of associate	16	1,787,461	2,978,959	–	–
Operating profit before impairment		**528,851**	**3,540,524**	**286,364**	**2,036,161**
Impairment of UHL PPE & investment	9	(473,000)	–	(2,082,500)	–
Profit /(loss) before taxation		**55,851**	**3,540,525**	**(1,796,136)**	**2,036,161**
Taxation	10	324,926	48,552	324,926	48,552
Profit/ (loss) for the year		**380,778**	**3,589,077**	**(1,471,209)**	**2,084,713**
Profit/(loss) attributable to:					
Equity holders of the parent		421,768	3,601,697	(1,471,209)	2,084,713
Non-controlling interest		(40,990)	(12,620)	–	–
Total profit/(loss)		**380,778**	**3,589,077**	**(1,471,209)**	**2,084,713**
Other comprehensive income		–	–	–	–
Total comprehensive income/(loss)		**380,778**	**3,589,077**	**(1,471,209)**	**2,084,713**

		The Group		The Company	
	Notes	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Total comprehensive income /(loss) attributable to:					
Equity holders of the parent		421,768	3,601,697	(1,471,209)	2,084,713
Non-controlling interests		(40,990)	(12,620)	–	–
Total comprehensive income/(loss)		**380,778**	**3,589,077**	**(1,471,209)**	**2,084,713**
Basic EPS (Kobo)	12	25	210	(86)	121
Diluted EPS (Kobo)	12	25	210	(86)	121

The summary of significant accounting policies and Notes on pages 40 to 106 are integral part of these Consolidated and Separate Financial Statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		The Group		The Company	
	Notes	31 Dec 15 N'000	31 Dec 14 N'000	31 Dec 15 N'000	31 Dec 14 N'000
Assets					
Non-current assets					
Property, plant and equipment	13	12,630,875	13,415,919	104,606	126,881
Intangible assets	14	59,810	30,353	52,508	20,806
Investment properties	15	16,867,015	16,542,109	16,867,015	16,542,109
Investments in associate and joint ventures	16	21,197,867	19,090,575	18,577,221	17,041,356
Available-for-sale financial asset	17	10,000	10,000	10,000	10,000
Investments in subsidiaries	18	-	-	-	2,082,500
		50,765,567	**49,088,956**	**35,611,350**	**35,823,652**
Current assets					
Inventories	19	12,331,955	9,668,957	12,213,159	9,757,623
Trade and other receivables	21	8,762,140	9,203,129	22,887,336	23,801,162
Cash at bank and in hand	22	100,904	126,578	54,170	58,858
		21,195,000	18,998,665	35,154,666	33,617,643
Total assets		**71,960,566**	**68,087,621**	**70,766,015**	**69,441,296**
Liabilities					
Non-current liabilities					
Interest bearing Loans and Borrowings	23	6,399,240	7,501,530	6,399,240	7,501,530
Deferred taxation	25	483,229	1,040,023	483,229	1,040,023
Deferred revenue	28	15,751	144,422	15,751	144,422
		6,898,220	**8,685,975**	**6,898,220**	**8,685,975**
Current liabilities					
Trade and other payables	24	12,052,926	6,496,188	11,201,474	6,340,977
Current income tax liabilities	10	786,762	712,928	786,762	712,928
Interest bearing Loans and Borrowings	23	16,407,121	16,025,500	16,407,121	16,025,500
Deferred revenue	28	241,370	114,264	241,370	114,264
		29,488,180	23,348,880	28,636,728	23,193,669
Total liabilities		**36,386,400**	**32,034,855**	**35,534,948**	**31,879,644**

		The Group		The Company	
	Notes	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Equity					
Share capital	26 (a)	859,375	859,375	859,375	859,375
Share premium	26 (b)	3,943,273	3,943,273	3,943,273	3,943,273
Retained earnings		30,892,525	31,330,132	30,428,421	32,759,005
Equity attributable to equity holders of the Company		**35,695,172**	**36,132,780**	**35,231,068**	**37,561,653**
Non controlling interest		**(121,003)**	**(80,013)**	**-**	**-**
Total equity		**35,574,168**	**36,052,766**	**35,231,068**	**37,561,653**
Total equity and liabilities		**71,960,566**	**68,087,621**	**70,766,015**	**69,441,296**

The financial statement on pages 34 – 39 were approved and authorized for issue by the Board of Directors on 29th March 2016 and were signed on its behalf by :

Larry E. Ettah
FRC/2013/IODN/00000002692

Hakeem D. Ogunniran
FRC/2013/ICSAN/00000001723

Folasade O. Ogunde
FRC/2013/ICAN/0000000747

The summary of significant accounting policies and Notes on pages 40 to 106 are an integral part of these Consolidated and Separate Financial Statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Group					
	Attributable to owners of the Company					
	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	TOTAL N'000	Non Controlling interest N'000	Total N'000
Balance at 1 January 2014	687,500	4,115,148	28,691,018	33,493,666	(67,393)	33,426,273
Profit/ (loss) for the year	–	–	3,601,697	3,601,697	(12,620)	3,589,077
Issue of bonus shares	171,875	(171,875)	–	–	–	–
Dividend paid	–	–	(962,583)	(962,583)	–	(962,583)
Balance at 31 December 2014	**859,375**	**3,943,273**	**31,330,132**	**36,132,780**	**(80,013)**	**36,052,767**
Balance at 1 January 2015	859,375	3,943,273	31,330,132	36,132,780	(80,013)	36,052,767
Profit/ (loss) for the year	–	–	421,768	421,768	(40,990)	380,778
Other comprehensive income	–	–	–	–	–	–
Dividend paid			(859,375)	(859,375)	–	(859,375)
Balance at 31 Dec 2015	**859,375**	**3,943,273**	**30,892,525**	**35,695,172**	**(121,003)**	**35,574,169**

	Company			
	Attributable to owners of the Company			
	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	TOTAL N'000
Balance at 1 January 2014	687,500	4,115,148	31,636,875	36,439,523
Profit/ (loss) for the year	–	–	2,084,713	2,084,713
Issue of bonus shares	171,875	(171,875)	–	–
Dividend paid	–	–	(962,583)	(962,583)
Balance at 31 December 2014	**859,375**	**3,943,273**	**32,759,005**	**37,561,653**
Balance at 1 January 2015	859,375	3,943,273	32,759,005	37,561,653
Profit/ (loss) for the year	–	–	(1,471,209)	(1,471,209)
Other comprehensive income	–	–	–	–
Dividends/Transfers	–	–	(859,375)	(859,375)
Balance at 31 Dec 2015	**859,375**	**3,943,273**	**30,428,421**	**35,231,068**

The summary of significant accounting policies and Notes on pages 40 to 106 are an integral part of these Consolidated and Separate Financial Statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 Dec N'000	2014 Dec N'000	2015 Dec N'000	2014 Dec N'000
Cash flow from operating activities	27	4,036,126	526,570	4,037,457	209,101
Tax paid	10	(158,031)	(300,431)	(158,031)	(300,431)
Net Cash inflow / outflow from operating activities		**3,878,095**	**226,139**	**3,879,426**	**(91,330)**
Cash flow from investing activities					
Proceeds from sale of investment property	15	184,000	1,200,000	184,000	1,200,000
Purchase of property, plant & equipment	13	(45,409)	(315,480)	(23,279)	(58,432)
Purchase of intangible asset	14	(40,848)	(61,307)	(40,309)	(22,291)
Proceeds from sale of property, plant and equipment		5,799	1,387	5,350	1,388
Purchase of investments properties	15	(53,593)	(77,367)	(53,593)	(77,367)
Investment in JV	16.2	(1,535,865)	–	(1,535,865)	–
Income Distribution from UPDC REIT	16.1	1,216,034	929,740	1,216,034	929,740
Proceed from disposal of investment in JV project		–	939,885	–	939,885
Interest received	8	607,981	721,787	607,981	721,787
Net cash flow from investing activities		**338,099**	**3,338,645**	**360,319**	**3,634,710**
Cash flow from financing activities					
Proceeds from borrowings		9,377,400	13,853,000	9,377,400	13,853,000
Repayment of borrowings		(10,210,781)	(13,670,000)	(10,210,781)	(13,670,000)
Dividend paid		(859,375)	(962,583)	(859,375)	(962,583)
Interest paid	8	(2,670,625)	(2,657,289)	(2,670,625)	(2,657,289)
Net cash flow from financing activities		**(4,363,381)**	**(3,436,872)**	**(4,363,381)**	**(3,436,872)**
Net increase/(decrease) in cash and cash equivalents		(147,187)	127,912	(123,636)	106,508
Net foreign exchange difference		8,801	8,776	6,236	7,392
Cash and cash equivalents at the beginning of the period		(1,010,130)	(1,146,819)	(1,077,850)	(1,191,750)
Cash and cash equivalents at the end of the period (Note 22)		(1,148,516)	(1,010,130)	(1,195,250)	(1,077,850)

The statement of accounting policies and the Notes on pages 40 to 106 form an integral part of these Consolidated and Separate Financial Statements.

1. General information

UAC Property Development Company Plc ('the Company') and its subsidiaries (together 'the Group') is a company incorporated in Nigeria. The Group has business with activities in the following principal sectors: real estate and hotel management. The address of the registered office is 1–5 Odunlami Street, Lagos.

The company is a public limited liability 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 (IFRSIC) interpretations applicable to companies reporting under IFRS as issued by International Accounting Standard Board (IASB). The Consolidated and Separate Financial Statements have been prepared under the historical cost convention except for investment properties which are measured at fair value.

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 Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments were applied for the first time in 2015, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans:

Employee ContributionsIAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. The Group has applied these improvements for the first time in these consolidated and separate financial statements. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The clarifications are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods. In addition, the Group had not granted any awards during the second half of 2014 and 2015. Thus, these amendments did not impact the Group's financial statements or accounting policies.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 5 in this year financial statements as the reconciliation is reported to the Chief Operating Decision Maker for the purpose of her decision making.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact to the revaluation adjustments recorded by the Group during the current period.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The Group has presented in previous periods and continues to disclose the same in Note 7 management services payment and information on management service agreement in Note 31 in this year's financial statements.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

Joint arrangements, not just joint ventures, are outside the scope of IFRS 3

This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

UPDC Plc is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of the Group.

IFRIC 21 Levies

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.

2. Summary of significant accounting policies

2.1.2 (b) New standards,amendment 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 and separate 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 and fair value through OCI. 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 2018 and earlier application is permitted. The group is assessing the impact of IFRS 15.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

Summary of significant policies (continued)
New standards,amendment and interpretations not yet adopted (continued)

2.1.2 Changes in accounts policy and disclosures (continued)

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group as the Group does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated and separate financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

Annual improvements 2012: 2014 cycle – 1 January 2016

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statement

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments are not expected to have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

The materiality requirements in IAS 1
That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
That entities have flexibility as to the order in which they present the Notes to financial statements
That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the group.

IFRS 16 Leases

Effective for annual periods beginning on or after 1January 2019. Early application is permitted, but not before an entity applies IFRS 15. The key features of the amendment are:

- The new standard requires lessees to account for all leases under a single on balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17.
- Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately.
- The new standard includes two recognition exemptions for lessees – leases of 'low value' assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).
- Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events.
- Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach.

The group is still assessing the impact of this amendment.

IAS 12 – Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendment clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify:

- The requirements relating to recovery of an asset for more than its carrying amount in a way that enhances understanding and reduces the risk of an arbitrary estimate of probable future taxable profit was revised
- The standard clarify that taxable profit excluding tax deductions used for assessing the utilization of deductible temporary differences is different from taxable profit on which income taxes are payable

The amendment is effective for annual periods beginning on or after 1 January 2017.

The group is still assessing the impact of this amendment.

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 is deemed to be an asset or liability is 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 profit or loss.

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 profit or loss.

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 profit or loss.

(e) Joint arrangements
The group has applied IFRS 11 to all joint arrangements as of 1 January 2013. 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 Management 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 Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
b. income and expenses for each profit or loss 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 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 at fair value. 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:

Leasehold buildings	5 to 99 years
Plant and Machineries:	
a. Heavy	5 to 7 years
b. Light	3 to 5 years
Motor Vehicle	
a. Commercial	7 to 10 years
b. Passanger	4 to 5 years
Furniture and Fittings	3 to 5 years
Computer equipment	3 to 5 years

The useful lives and residual values are reassesed 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 profit or loss 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 expenditure is recognised as an expense in the period in which it incurred.

2.6 Intangible assets

(a) Goodwill

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 programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recogniesd 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 an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, i.e. 5 years (at 20%).

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 valuater 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 value 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 profit or loss. 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 Financial assets

2.9.1 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 statement of financial position (Note 2.13 and 2.14).

(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 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.

2.9.2 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 lass as 'gains and losses from investment securities'.

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

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

2.11 Impairment of financial assets

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 debtors 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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 profit or loss 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.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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 profit or loss 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 reporting 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 Statement of Financial Position 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 reporting 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 profit or loss, 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.

2.21 Employee benefits

(a) Defined contribution schemes

The Group has two defined contribution plans for its employees; i) A statutory pension scheme and ii) A gratuity scheme. 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.

(i) Pension Scheme

The Pension Reform Act of 2014 requires all companies to pay a minimum of 10% of basic salary (including housing and transport allowances) to a pension fund on behalf of all full time employees to pension fund administrator. 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.

(ii) Gratuity scheme

Under the gratuity scheme, the group contributes on an annual basis a fixed percentage of the employess salary to a fund managed by a fund administrator. The funds are invested on behalf of the employees and they will receive a payout based on the return of the fund upon retirement.

The group has no obligation other than annual contribution made for each employee.

(b) 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.

2.22 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 the buyer. Typically this is evidenced when the buyer is granted access to the properties. The granting of the legal title is an administrative matter that can have significant delays.

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

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

(a) Revenue from sale of property stock is recognized when the following conditions are satisfied:

a. The total revenue accruing from the project can be measured reliably;
b. The economic benefits associated with the sales contract flow to the buyer;
c. Both the construction costs to complete the project and stage of contract works at the end of
d. the reporting period can be reliably measured; and
e. The total costs attributable to the project can be clearly identified and reliably measured so that
f. actual costs incurred can be compared with prior estimates
g. Transfer of significant risk and reward of ownership to the buyer.
h. Minimum of 50% of the sales price is paid by the buyer.

(b) Rental Income, Project Management Fees and Commissions:

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 fees 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.

(c) Deferred income

Deferred income comprises of contract income, service charge received in advance and rents in advance; these are recognised in the profit or loss when earned.

2.23 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 profit or loss 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.

2.24 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.

3. Financial risk management

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange 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 did not have any foreign currency loans, forward contracts or fixed/ floating rate debt securities as at the end of the yea, hence its foreign exchange risk was limited to the amounts outstanding in its domiciliary accounts for both the company and the subsidiary (hotel), the total of which was considered insignificant. There are no exposures to recognised assets and liabilities as the group has no investments in foreign operations.
The group does not make use of derivatives to hedge its exposures.
The group is not involved in direct importation of finishing materials for its projects and uses third party suppliers and logistics agents, who bear the full foreign exchange risk which are priced into contracts upfront

The group's concentration of foreign exchange risk is as follows:

	2015		
GROUP	**USD USD'000**	**GBP GBP'000**	**Euro E'000**
Financial assets			
Available for sale investments	–	–	–
Trade and other receivables	–	–	–
Cash at bank and in hand	266	2	13.92
	266	**2**	**14**
Financial liabilities			
Interest bearing loans and borrowings	–	–	–
Current Portion of borrowing	–	–	–
Trade and other payables	–	–	–
Bank overdrafts	–	–	–
	–	**–**	**–**

	2014		
GROUP	**USD N'000**	**GBP N'000**	**Euro E'000**
Financial assets			
Available for sale investments	–	–	–
Trade and other receivables	–	–	–
Cash at bank and in hand	3,528	–	2,270
	3,528	**–**	**2,270**
Financial liabilities			
Interest bearing loans and borrowings	–	–	–
Current Portion of borrowing	–	–	–
Trade and other payables	–	–	–
Bank overdrafts	–	–	–
	–	**–**	**–**

	2015		
COMPANY	**USD N'000**	**GBP N'000**	**Euro E'000**
Financial assets			
Available for sale investments	–	–	–
Trade and other receivables	–	–	–
Cash at bank and in hand	249	–	9
	249	**–**	**9**
Financial liabilities			
Interest bearing loans and borrowings	–	–	–
Current Portion of borrowing	–	–	–
Trade and other payables	–	–	–
Bank overdrafts	–	–	–
	–	**–**	**–**

			2014
COMPANY	**USD N'000**	**GBP N'000**	**Euro E'000**
Financial assets			
Available for sale investments	–	–	–
Trade and other receivables	–	–	–
Cash at bank and in hand	52,272	–	1,396
	52,272	**–**	**1,396**
Financial liabilities			
Interest bearing loans and borrowings	–	–	–
Current Portion of borrowing	–	–	–
Trade and other payables	–	–	–
Bank overdrafts	–	–	–
	–	**–**	**–**

	Group		Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
The total impact on profit and equity if Naira were to decrease by 1% across currencies would be as follows	2.8	64	2.6	64

Management considers a 1% shift in foreign currency exchange rate as 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:

	2015			
	Weighted average	**Interest bearing Balance (Naira)**		
GROUP	**Interest rate**	**Variable rate**	**Fixed rate**	**Non-interest bearing**
Financial assets				
Trade and other receivables		–	–	8,762,140
Cash at bank and in hand		–	–	100,904
		-	**-**	**8,863,045**
Financial liabilities				
Interest bearing loans and borrowings	15.5	21,556,941	–	–
Trade and other payables		–	–	12,052,926
Bank overdrafts	17.2	1,249,420	–	–
		22,806,361	**-**	**12,052,926**

	2014			
	Weighted average	Interest bearing Balance (Naira)		Non-interest
GROUP	**Interest rate**	**Variable rate**	**Fixed rate**	**bearing**
Financial assets				
Trade and other receivables		–	–	9,203,129
Cash at bank and in hand		–	–	126,578
		–	**–**	**9,329,707**
Financial liabilities				
Interest bearing loans and borrowings	14.80	18,988,854	3,401,468	
Trade and other payables		–	–	6,496,188
Bank overdrafts	16.50	1,136,708	–	–
		20,125,562	**3,401,468**	**6,496,188**

	2015			
	Weighted average	Interest bearing Balance (Naira)		Non-interest
COMPANY	**Interest rate**	**Variable rate**	**Fixed rate**	**bearing**
Financial assets				
Trade and other receivables		–	–	22,887,336
Cash at bank and in hand		–	–	54,170
		–	**–**	**22,941,506**
Financial liabilities				
Interest bearing loans and borrowings	15.5	21,556,941	–	
Trade and other payables		–	–	11,201,474
Bank overdrafts	17.2	1,249,420		
		22,806,361	**–**	**11,201,474**

	2014			
	Weighted average Interest rate	Interest bearing Balance (Naira)		Non-interest bearing
COMPANY		Variable rate	Fixed rate	
Financial assets				
Trade and other receivables		–	–	23,801,162
Cash at bank and in hand		–	–	58,858
		-	**-**	**23,860,020**
Financial liabilities				
Interest bearing loans and borrowings	14.80	18,988,853	3,401,468	
Trade and other payables				6,340,977
Bank overdrafts	16.50	1,136,708	–	–
		20,125,561	**3,401,468**	**6,340,977**

	Group	
	2015	**2014**
A 3% increase in interest rates would have the following impact on profit and equity.	(684,191)	(603,767)
A 3% decrease in interest rates would have the following impact on profit and equity.	684,191	603,767

Management considers that a 3% shift in interest rate is reasonable as the interest rate has fluctuated by a maximum of 3.5% in 2015.

(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 its new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash at bank and in hand, 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

	2015			
GROUP	**Total gross amount**	**Fully performing**	**Past due but not impaired**	**Impaired**
Trade receivables	2,042,570	414,594	1,455,959	172,017
Receivable from group company	6,096,373	6,096,373	–	–
Other receivables	786,233	786,233	–	–
Advances to staff	8,982	8,982	–	–
Cash at bank and in hand	100,904	100,904	–	–
	9,035,062	**7,407,086**	**1,455,959**	**172,017**

	2014			
GROUP	**Total gross amount**	**Fully performing**	**Past due but not impaired**	**Impaired**
Trade receivables	2,605,610	418,161	1,979,378	208,071
Receivable from group company	5,189,516	5,189,516	–	–
Other receivables	1,605,255	1,605,255	–	–
Advances to staff	10,818	10,818	–	–
Cash at bank and in hand	126,578	126,578	–	–
	9,537,777	**7,350,328**	**1,979,378**	**208,071**

	2015			
COMPANY	**Total gross amount**	**Fully performing**	**Past due but not impaired**	**Impaired**
Trade receivables	1,846,417	206,997	1,479,563	159,857
Intergroup balances	20,467,712	20,467,712	–	–
Other receivables	724,082	724,082	–	–
Advances to staff	8,982	8,982	–	–
Cash at bank and in hand	54,170	54,170	–	–
	23,101,363	**21,461,943**	**1,479,563**	**159,857**

	2014			
COMPANY	**Total gross amount**	**Fully performing**	**Past due but not impaired**	**Impaired**
Trade receivables	2,483,202	210,564	2,076,994	195,644
Intergroup balances	19,990,233	19,990,233	–	–
Other receivables	1,512,626	1,521,626	–	–
Advances to staff	10,745	10,744	–	–
Cash at bank and in hand	58,858	58,858	–	–
	24,055,664	**21,783,026**	**2,076,994**	**195,644**

Details of the credit quality of performing assets are as follows:
Counterparties without external credit ratings

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
Trade receivables				
Group 1	414,594	418,161	206,997	210,564
Group 2	–	–	–	–
Group 3	–	–	–	–
	414,594	**418,161**	**206,997**	**210,564**
Intergroup balances				
Group 1	6,096,373	5,189,516	20,475,212	19,990,233
	6,096,373	**5,189,516**	**20,475,212**	**19,990,233**

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.

	GROUP		COMPANY	
Counterparties with external credit ratings	**2015**	**2014**	**2015**	**2014**
Cash at bank and in hand				
AAA	100,904	126,578	54,170	58,858
	100,904	**126,578**	**54,170**	**58,858**

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

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
Trade receivables				
Past due 30–60 days	436,788	536,785	436,788	536,785
Past due 60–90 days	1,019,172	1,442,593	1,042,775	1,540,209
	1,455,959	1,979,378	1,479,563	2,076,994

	The Group		The Company	
Details of the impaired assets are as follows:	**2015**	**2014**	**2015**	**2014**
Trade receivables				
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	128,695	164,749	116,536	152,322
	172,017	208,071	159,858	195,644

	The Group		The Company	
Receivables	**2015**	**2014**	**2015**	**2014**
At 1 January	208,071	173,580	195,644	173,580
Provision for receivables impairment	–	34,491	–	22,064
Unused amounts reversed	(36,054)	–	(35,786)	–
At 31 December	172,017	208,071	159,858	195,644

(c) Liquidity risk

Liquidity risk arises from mis-match in expected inflows from sales, rentals and other revenue sources and outflows to fund projects, debt service and repayment obligations. 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 the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

	The Group			
At 31 December 2015	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings	–	16,415,312	7,817,475	–
Trade and other payables	1,560,628	10,492,298	–	–
Bank overdrafts	1,249,420	–	–	–
	2,810,048	26,907,610	7,817,475	–

	The Group			
At 31 December 2014	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings	–	15,432,581	11,283,485	–
Trade and other payables	1,512,773	4,983,415	–	–
Bank overdrafts	1,136,708	–	–	–
	2,649,481	**20,415,996**	**11,283,485**	**–**

	The Company			
At 31 December 2015	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings (excluding finance lease liabilities)	–	16,415,312	7,817,475	–
Finance lease liabilities	–	–	–	–
Trade and other payables	817,387	10,384,087	–	–
Bank overdrafts	1,249,420	–	–	–
	2,066,807	**26,799,399**	**7,817,475**	**–**

	The Company			
At 31 December 2014	**Less than 3 months**	**Between 3 months and 1 year**	**Between 1 and 5 years**	**Over 5 years**
Borrowings (excluding finance lease liabilities)	–	15,432,581	11,283,485	–
Trade and other payables	1,512,773	4,828,204	–	–
Bank overdrafts	–	1,136,708	–	–
	1,512,773	**21,397,493**	**11,283,485**	**–**

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 and separate statement of financial posistion including non controlling interest.

No formal debt equity target has been established.

	2015 N'000	2014 N'000
Interest bearing debt	22,806,361	23,527,030
Total equity	35,574,168	36,052,766
Total capital	**58,380,530**	**59,579,796**
Gearing ratio	0.64	0.65

3.3 Fair value estimation

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, 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 asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities for the year ended 31 December 2015.

	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000
Assets measured at fair value:				
Investment properties				16,867,015
Revalued UHL PPE (Note 13)				12,526,269
Liabilities for which fair values are disclosed (Note23):				
Interest-bearing loans and borrowings				
Union Bank of Nigeria Plc	1,086,270	–	1,086,270	–
FSDH Merchant Bank Ltd	4,044,121	–	4,044,121	–
Guaranty Trust Bank Plc	3,493,774	–	3,493,774	–

These valuations were done as at 31 December 2015, there have been no transfers between Level 1 and Level 2 during the year.

i) Assets measured at fair values

a) Investment properties

The valuation techniques used and key inputs to valuation of investment properties have been disclosed on Note 15.

b) Revaluation of UHL PPE

The revalued UHL PPE consists of Land and Building, Plant and Machinery and Furniture & Fittings in Festac. Management determined that these constitute one class of asset under IFRS 13, based on the nature, characteristics and risks of the property, plant and machinery.

Fair value of the property, plant and machinery was determined using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific asset. As at the date of revaluation in July 2015, the PPE's fair values are based on valuations performed by Ubosi Eleh (Estate Surveyors & Valuers, an accredited independent valuer who has valuation experience for similar PPE in Nigeria.

Fair value measurement disclosures for revalued UHL PPE are provided in Note 13.

Significant unobservable valuation input:	**N'000**
Price per square metre	33

Significant increases/ (decreases) in estimated price per square meter in isolation would result in significantly higher/ (lower) fair value.

ii) Liabilities for which fair values are disclosed

The fair value of unquoted loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities for the year ended 31 December 2014.

Assets measured at fair value:	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000
Investment properties				16,542,109
Liabilities for which fair values are disclosed (Note 23):				
Interest-bearing loans and borrowings				
First Bank of Nigeria Limited	–	–	–	–
FSDH Merchant Bank Ltd	4,044,121	–	4,044,121	–
Guaranty Trust Bank Plc	3,493,689	–	3,493,689	–

The following table represents the groups' financial assets and liabilities that are measured at fair value

	The Group			
	2015		2014	
Assets	Carrying Value	Fair Value	Carrying Value	Fair Value
Trade receivables	1,870,553	1,870,553	2,397,539	2,397,539
Other receivables	6,882,606	6,882,606	6,794,771	6,794,771
Cash & Short Term deposits	100,904	100,904	126,578	126,578
Liabilities				
Borrowings	6,899,240	6,399,240	7,501,530	7,501,530
Interest bearing loans and borrowings: Current	16,407,121	16,407,121	16,025,500	16,025,500
Trade and other payables	9,850,634	9,850,634	3,733,941	3,733,941

	The Company			
	2015		2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Trade receivables	1,686,560	1,686,560	2,287,558	2,287,558
Other receivables	21,191,794	21,191,794	21,502,859	21,502,859
Cash at bank and in hand	54,170	54,170	58,858	58,858
Liabilities				
Borrowings	6,399,240	6,399,240	7,501,530	7,501,530
Bank Overdrafts and current portions of borrowings	16,407,121	16,407,121	16,025,500	16,025,500
Trade and other payables	9,742,424	9,742,424	3,633,763	3,633,763

Trade receivables is fair valued at net of impairment. Other receivables is made up of mobilization payment to contractors (guaranteed by Advance Payment Guarantee) and prepayments and accrued income which fairly approximates their stated carrying values.
The fair values of loans from banks is estimated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The company does not expect to default on its various obligations represented in its liabilities as at year end.

3.4 Financial instruments by category

	The Group			
	2015			
	Fair value through profit or loss N'000	Available for sale N'000	Loans and receivables N'000	Other financial liabilities N'000
Financial assets				
Available for sale investments	–	10,000	–	–
Trade and other receivables	–	–	1,870,553	–
Cash at bank and in hand	–	–	100,904	–
Financial liabilities				
Interest bearing loans and borrowings: Non-current	–	–	–	6,399,240
Interest bearing loans and borrowings: Current	–	–	–	16,407,121
Trade and other payables	–	–	–	12,052,926
Bank overdrafts	–	–	–	–

	The Group 2014 N'000			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
Financial assets				
Available for sale investments	–	10,000	–	–
Trade and other receivables	–	–	2,605,610	–
Cash at bank and in hand	–	–	126,578	–
Financial liabilities				
Interest bearing loans and borrowings	–	–	–	16,025,500
Current portion of interest bearing loans and borrowings	–	–	–	7,501,530
Trade and other payables	–	–	–	6,496,188
Bank overdrafts	–	–	–	–

	The Company 2015			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
Financial assets				
Available for sale investments	–	–	–	–
Trade and other receivables	–	–	1,846,418	–
Cash and short-term deposits	–	–	54,170	–
Financial liabilities				
Long term borrowings	–	–	–	7,501,530
Current portion of long term borrowings	–	–	–	16,025,500
Trade and other payables	–	–	–	11,201,474
Bank overdrafts	–	–	–	–

	The Company			
	2014			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial liabilities
Financial assets				
Available for sale investments	–	–	–	–
Trade and other receivables	–	–	2,483,202	–
Cash at bank and in hand	–	–	58,858	–
Financial liabilities				
Long term interest bearing loans and borrowings	–	–	–	16,025,500
Current portion of interest bearing loans and borrowings	–	–	–	7,501,530
Trade and other payables	–	–	–	6,340,977
Bank overdrafts	–	–	–	1,136,708

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 15.

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 and show no sign of impairment.

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Freehold building	471,138	673,984	471,138	673,984
Leasehold building	16,395,877	15,868,125	16,395,877	15,868,125
Total investment properties	**16,867,105**	**16,542,109**	**16,867,105**	**16,542,109**

b) Useful lives for property, plant & equipment

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of property, plant and equipment will have an impact on the carrying value.

4.2 Significant judgements

a) Revenue recognition

Sale of constructed properties require 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 taken occupation of 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 issued a Real Estate Investment Trust (REIT) of 3,000,000,000 units of N10 each which is listed on the stock exchange.

The company's planned subscription rate of the REIT was 40% to UPDC and 60% to the general public The REIT closed at a value of N26.7billion, with UPDC holding 62.4% while other investors held 37.6%. UPDC's stake in the REIT was 61.5% as at 31st December 2015.

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 Custodian, 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 have management control on the REIT. Control is exercised through the Investment Committee and final decisions are taken by the Trustees. The Investment Committee membership is constituted as follows:

FSDH Asset Management Limited (Fund Managers)	-	2
UPDC (Sponsor of the REIT & Property Manager)	-	2
UBA Trustees (Joint Trustees)	-	1
First Trustees (Joint Trustees)	-	1
Independent Shareholders of the REIT	-	3

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 Company (UPDC) Plc's 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/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, UPDC Plc. The hotel provides services including sale of rooms, conferencing 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

31 December 2015	Property development, sales & management N'000	Hospitality services N'000	Group N'000
Total revenue	3,738,326	1,382,606	5,120,932
Intergroup revenue (other UACN group entities)	(127,126)	(43,100)	(170,226)
Revenue to third parties	**3,611,200**	**1,339,506**	**4,950,706**
Profit /(loss) before interest and tax	2,349,009	(300,392)	804,035
Profit /(loss) before tax	(1,796,136)	(773,392)	55,851
Net current assets/ (liabilities)	6,517,937	(14,811,118)	(8,293,180)
Property, plant and equipment	104,606	12,526,269	12,630,875

31 Dercember 2014	Property development, sales & management N'000	Hospitality services N'000	Group 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 from third parties	**9,949,304**	**1,604,026**	**11,553,330**
Earnings /(loss) before interest and tax	3,971,663	(160,705)	2,497,068
Profit /(loss) before tax	2,036,161	(160,705)	3,540,525
Net current assets/ (liabilities)	10,370,165	(14,720,381)	(4,350,216)
Property, plant and equipment	126,881	13,289,038	13,415,919

Entity wide information

Analysis of revenue by category:	2015 N'000	2014 N'000
Sale of property stock	2,793,243	9,023,651
Rental income on investment property	512,691	558,318
Project and Management Surcharge Income	432,392	499,347
UACN Property Development Company Plc	3,738,326	10,081,316
UPDC Hotels Limited	1,382,606	1,619,190
	5,120,932	**11,700,506**

Analysis of revenue by geographical location:	2015 N'000	2014 N'000
Nigeria	**5,120,932**	**11,700,506**
Sales of Goods – Sale of property stock	2,793,243	9,023,651
Rendering of services – Project Management fees and service charge surcharge	432,392	499,347
Rental Income	512,691	558,318
UACN Property Development Company Plc	**3,738,326**	**10,081,316**

6. Other operating income

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Investment income	2,700	–	2,700	–
Income Distribution received from UPDC REIT	–	–	1,216,034	929,740
Income from legal and survey documentation	7,625	121,008	7,625	121,008
Pinnock Beach title perfection fee	31,267	28,400	31,267	28,400
Service charge received	26,986	15,900	26,986	15,900
Sales commission received	135,802	24,619	135,802	24,619
Gain on disposal of PPE	4,223	–	4,563	–
Exchange Gain	8,801	8,778	6,238	7,394
Consumption tax recovered	69,469	–	–	–
Sales commission on James Pinnock Place	234,536	–	234,536	–
Sundry Income	53,874	26,920	53,874	28,304
	575,284	**225,625**	**1,719,625**	**1,155,365**

7. Expenses by nature

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Changes in inventories of finished goods and work in progress	3,046,458	8,982,589	2,181,134	7,998,899
Direct operating expenses for investment properties	114,132	110,814	114,132	110,814
Personnel expenses	878,376	833,907	532,031	489,190
Depreciation and amortization	369,455	629,680	53,375	118,818
Rents and Rates	22,838	29,370	22,838	21,238
Electricity & Power	2,673	1,968	2,673	1,968
Vehicle repairs, maintenance & fueling	33,756	41,603	24,828	36,581
Other repairs & maintenance	112,963	115,955	475	2,858
Legal expenses	22,616	16,346	22,616	16,346
Auditors' remuneration	24,506	28,948	19,256	22,000
Directors' emoluments	85,567	85,567	85,567	85,567
Loss on sale of property, plant and equipment	–	34,921	–	34,921
Information technology	77,539	82,631	65,870	64,717
Insurance	5,654	16,012	2,839	4,325
Marketing & communication	107,160	219,240	16,241	57,265
Professional fees	127,555	115,036	105,303	115,036
Printing and stationery	19,066	11,925	17,898	11,925
UACN management service fee	37,383	100,813	37,383	100,813
	5,087,494	**11,457,326**	**3,304,256**	**9,293,281**
Cost of sales	3,601,592	9,870,826	2,519,952	8,434,341
Selling and distribution expenses	107,160	219,240	16,241	57,265
Admininstrative expenses	1,378,742	1,367,260	768,063	801,675
	5,087,494	**11,457,326**	**3,304,256**	**9,293,281**

Cost of sales includes property repairs and maintenance cost of N47.7 million (2014 N50.6 million)

	The Group		The Company	
Personnel expenses include:	**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
Wages and salaries	790,816	639,840	466,187	443,941
Pension costs:				
Pension benefits	48,297	41,199	26,581	22,420
Gratuity scheme – defined contribution	39,263	152,868	39,263	31,687
	878,376	**833,907**	**532,031**	**498,048**

In line with the trend in the hotel industry, UPDC Hotels Ltd stopped Gratuity scheme of staff in 2014 and replaced it with a yearly allowance based on management decision and the hotel's performance. The yearly allowance commenced in 2015 financial year. The amount paid and recognised for the year is N17.58 million.

Particulars of directors and staff

(i) The group has 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.

	The Group		The Company	
Costs	**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
Management	569,037	698,207	443,984	417,419
Staff	309,338	135,700	88,046	80,629
Total	**878,376**	**833,907**	**532,031**	**498,048**

	The Group		The Company	
Numbers	**2015 Number**	**2014 Number**	**2015 Number**	**2014 Number**
Management	95	115	86	82
Staff	262	224	40	49
Total	**357**	**339**	**126**	**131**

(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.

	The Group		The Company	
=N=	2015	2014	2015	2014
300,001 – 400,000	8	7	8	–
400,001 – 500,000	49	25	4	–
500,001 – 600,000	20	23	4	3
600,001 – 700,000	30	31	15	6
700,001 – 800,000	33	64	10	8
800,001 – 900,000	43	19	6	8
900,001 – 1,000,000	35	29	9	12
1,000,001 – 2,000,000	78	72	29	41
2,000,001 – 3,000,000	33	30	24	23
3,000,001 – 4,000,000	9	18	5	15
4,000,001 – 5,000,000	11	9	7	6
5,000,001 – 6,000,000	4	5	3	4
6,000,001 – 7,000,000	2	5	–	3
7,000,001 – 8,000,000	1	1	1	1
8,000,001 – 9,000,000	–	–	–	–
9,000,001 – 10,000,000	1	1	1	1
	357	**339**	**126**	**131**

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
(iii) Emoluments of directors				
Fees	1,300	1,300	1,300	1,300
Other emoluments	84,067	84,067	84,067	84,067
	85,367	**85,367**	**85,367**	**85,367**
(iv) The Chairman's emolument.	300	300	300	300
(v) Emolument of the highest paid director.	23,573	23,573	23,573	23,573

(vi) The fees attributable to the Chairman and one non-executive director, who are employees of the parent company (UACN) were paid to UACN Plc.

(vii) Key management personnel compensation

	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Short term benefits	86,600	85,567	86,600	85,567
Post employment benefits	8,660	6,431	8,660	6,431
	95,260	**91,998**	**95,260**	**91,998**

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

=N=	2015 Number	2014 Number	2015 Number	2014 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
	7	**7**	**7**	**7**

8. Net finance income/(cost)

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Interest income	607,981	721,787	607,981	721,787
Finance Income	**607,981**	**721,787**	**607,981**	**721,787**
Interest payable on bank loans	2,218,627	2,210,580	2,218,627	2,210,580
Interest payable on bank overdrafts	451,999	446,709	451,999	446,709
Finance costs	**2,670,625**	**2,657,289**	**2,670,625**	**2,657,289**
Net finance cost	**2,062,644**	**1,935,502**	**2,062,644**	**1,935,502**

9 Impairment of UHL Investment & Property, Plant and Equipment

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Impairment of UHL Investment	–	–	2,082,500	–
Impairment of UHL Property, Plant and Equipment	473,000	–	–	–
	473,000	**-**	**2,082,500**	**-**

Due to the Ebola crisis of 2014, the socio-political uncertainties of 2015 and delayed execution of government road works and ancillary infrastructure upgrades in its vicinity, annual occupancy at UHL's Golden Tulip Festac Hotel has fallen from an average of 37% (2014) to 28% in 2015, short of projected levels.

A decision was taken to impair the N2.08b equity value of the investment in UPDC Hotels Limited (UHL).

Furthermore, a professional valuation of the hotel assets was undertaken in July 2015 and gave a value of N12.656b, which was short of the book value by N473m. An impairment adjustment was subsequently passed into the hotel's books in July 2015 for the value diminution.

10. Taxation

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Current tax				
Nigeria corporation tax charge for the year	231,866	644,383	231,866	644,383
Total current tax charge	**231,866**	**644,383**	**231,866**	**644,383**
Deferred tax				
Temporary differences, origination and reversal	(556,793)	(692,935)	(556,793)	(692,935)
Total deferred tax (Note 25)	**(556,793)**	**(692,935)**	**(556,793)**	**(692,935)**
Income tax charge/ (credit)	**(324,926)**	**(48,552)**	**(324,926)**	**(48,552)**

Nigeria corporation tax is calculated at 30% (2014: 30%) of the estimated assessable profit for the year.

The tax credit for the year can be reconciled to the profit per the consolidated and separate profit or loss as follows:

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
(Loss)/Profit before tax	55,851	3,540,525	(1,796,136)	2,036,161
Tax at the Nigeria corporation tax rate of 30% (2014: 30%)	16,755	1,062,158	(538,841)	610,848
Education tax	–	3,849	–	3,849
Capital gains tax	51,039	382,720	51,039	382,720
Effect of income that is exempt from taxation	(1,078,852)	(1,366,132)	(523,257)	(1,366,132)
Effect of expenses that are not deductible in determining taxable profit	505,305	16,950	505,305	16,950
Minimum tax adjustments	180,828	–	180,828	–
Deferred tax not raised on assessed losses	–	14,462	–	14,462
Effect of dividend tax	–	288,750	–	288,750
Tax charge credit for the year	**(324,926)**	**(48,552)**	**(324,926)**	**(48,552)**

	The Group		The Company	
Per statement of financial position	**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
As at 1 January	712,927	368,976	712,927	368,976
Charge for the year	231,866	644,382	231,866	644,382
Payments during the year	(158,031)	(300,431)	(158,031)	(300,431)
As at 31 December	**786,762**	**712,927**	**786,762**	**712,927**

11. Dividends

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Amounts recognised as distributions to ordinary shareholders in the year comprise:				
A dividend of N859,375,000 representing 50 kobo per share was declared for 2014 financial year and paid in September 2015. The withholding tax thereon was remitted to the tax authorities both at the Federal and various State levels.	(859,375)	(962,500)	(859,375)	(962,500)

12. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit / loss 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.

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
Profit / (Loss) attributable to ordinary equity shareholders (NGN '000)	421,768	3,601,697	(1,471,209)	2,084,713
Basic earnings per share (Kobo)	**25**	**210**	**(86)**	**121**
Diluted earnings per share (Kobo)	**25**	**210**	**(86)**	**121**

	Group		Group	
	2015 Number	**2014 Number**	**2015 Number**	**2014 Number**
Basic weighted and Diluted weighted number of shares.	1,718,750,000	1,718,750,000	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.

13. Property plant and equipment

The Group Cost	Leasehold land and buildings N'000	Motor Vehicles N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Asset in Progress	Total N'000
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)
At 31 December 2014	**14,208,968**	**338,704**	**1,095,146**	**1,624,817**	**54,359**	**–**	**17,321,993**
At 1 January 2015	14,208,968	338,704	1,095,146	1,624,817	54,359	–	17,321,993
Transfer from inventory	–	–	–	–	–	2,604	2,604
Additions	17,474	13,792	1,065	8,623	4,451	–	45,406
Disposals	–	(46,703)	–	–	(614)	–	(47,317)
Reclassification	275,348	–	(223,262)	(120,492)	68,405	–	–
Assets written off	–	–	(1,413)	–	–	–	(1,413)
At 31 December 2015	**14,501,790**	**305,793**	**871,537**	**1,512,948**	**126,601**	**2,604**	**17,321,273**
Accumulated depreciation and impairment							
At 1 January 2014	1,377,385	137,080	673,431	1,111,764	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)
At December 2014	**1,575,276**	**211,551**	**872,971**	**1,212,482**	**33,794**	**–**	**3,906,074**
At 1 January 2015	1,575,276	211,551	872,971	1,212,482	33,794	–	3,906,074
Charge for the year	68,639	35,921	48,691	192,422	12,390	–	358,063
Reclassifications	194,474	18,414	(144,169)	(136,671)	67,952	–	–
Disposals	–	(45,125)	–	–	(614)	–	(45,739)
Impairment	453,173	–	12,022	7,806	–	–	473,000
At 31 December 2015	**2,291,562**	**220,761**	**789,515**	**1,276,039**	**113,522**	**–**	**4,691,398**
Net book values							
At 31 December 2015	**12,210,229**	**85,032**	**82,022**	**236,908**	**13,080**	**2,604**	**12,630,875**
At 31 December 2014	**12,633,692**	**127,152**	**222,175**	**412,335**	**20,565**	**–**	**13,415,919**

Following yearly losses by the hotel since opening in 2010, Management decided to undertake valuation of the hotel. A professional valuation of the asset of the hotel was thus commissioned and undertaken in the year. The valuation indicated an impairment of N473 million being the value by which the valuation of the assets were lower than the carrying value in the book of the hotel. Also, an external consultant was engaged to carry out asset verification and tagging at UPDC Hotels. Assets valued at N1.4 million that were not sighted were subsequently written off.

The Company Cost	Motor Vehicles N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
At 1 January 2014	234,925	142,359	48,691	53,957	479,933
Additions	31,385	18,641	3,541	4,865	58,432
Disposals	(11,158)	(47,432)	(1,261)	(4,462)	(64,313)
At 31 December 2014	**255,152**	**113,568**	**50,971**	**54,359**	**474,051**
At 1 January 2015	255,152	113,568	50,971	54,359	474,051
Additions	13,792	299	4,864	4,323	23,279
Disposals	(38,803)	–	–	(614)	(39,417)
At 31 December 2015	**230,141**	**113,868**	**55,835**	**58,068**	**457,913**
Accumulated depreciation					
At 1 January 2014	109729	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)
At 31 December 2014	**172,956**	**92,648**	**47,771**	**33,794**	**347,169**
At 1 January 2015	172,956	92,648	47,771	33,794	347,169
Charge for the year	24,138	12,844	4,269	3,517	44,767
Reclassifications	18,414	(22,070)	(8,915)	12,571	–
Disposals	(38,015)	–	–	(614)	(38,629)
At 31 December 2015	**177,493**	**83,422**	**43,125**	**49,267**	**353,306**
Net book values					
At 31 December 2015	**52,649**	**30,446**	**12,711**	**8,801**	**104,606**
At 31 December 2014	**82,196**	**20,920**	**3,200**	**20,565**	**126,881**

A misalignment was observed in the accumulated depreciation figures for the asset classes brought forward from 2014. A reclassification was done during the year which did not affect the total figure of accumulated depreciation and total Net Book Value (NBV) of the assets.

No Property, Plant and Equipment was pledged as security for any liability as at 31st December 2015.

14. Intangible assets

	The Group	The Company
Cost	**Software N'000**	**Software N'000**
At 1 January 2014	213,448	213,448
Additions	61,307	22,291
31 December 2014	**274,755**	**235,739**
At 1 January 2015	274,755	235,739
Additions	40,848	40,309
At 31 December 2015	**315,603**	**276,048**
Accumulated amortisation		
At 1 January 2014	213,448	213,448
Amortisation for the year	30,954	1,486
31 December 2014	**244,402**	**214,934**
At 1 January 2015	244,402	214,934
Amortisation for the year	11,392	8,608
At 31 December 2015	**255,794**	**223,542**
Net book values		
At 31 December 2015	**59,810**	**52,508**
At 31 December 2014	**30,353**	**20,806**

No intangible asset was pledged as security for any liability as at 31st December 2015 (2014: NIL).

15. Investment properties

	The Group			The Company		
Fair value	**Freehold building N'000**	**Leasehold building N'000**	**Total investment properties N'000**	**Freehold building N'000**	**Leasehold building N'000**	**Total investment properties N'000**
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 20)	–	297,741	297,741	–	297,741	297,741
Disposals	–	(703,300)	(703,300)	–	(703,300)	(703,300)
Net gain from fair value adjustments on investment properties	–	1,541,406	1,541,406	–	1,541,406	1,541,406
At 31 December 2014	**673,984**	**15,868,125**	**16,542,109**	**673,984**	**15,868,125**	**16,542,109**
At 1 January 2015	673,984	15,868,125	16,542,109	673,984	15,868,125	16,542,109
Additions	–	53,593	53,593	–	53,593	53,593
Reclassification	(214,684)	214,684		(214,684)	214,684	–
Reclassification from property stocks held as inventories (Note 20)	–	260,000	260,000	–	260,000	260,000
Disposals	–	(241,365)	(241,365)	–	(241,365)	(241,365)
Net gain from fair value adjustments on investment properties	11,838	240,840	252,678	11,838	240,840	252,678
At 31 December 2015	**471,138**	**16,395,877**	**16,867,015**	**471,138**	**16,395,877**	**16,867,015**

Schedule of Net gain / (net loss) on disposal

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
Sales Proceed	184,000	1,190,157	184,000	1,190,157
Cost of investment properties	(241,365)	(703,300)	(241,365)	(703,300)
	(57,365)	**486,857**	**(57,365)**	**486,857**

	The Group			The Company		
At 31 December 2015	**Freehold building N'000**	**Leasehold building N'000**	**Total investment properties N'000**	**Freehold building N'000**	**Leasehold building N'000**	**Total investment properties N'000**
Level 1	–	–	–	–	–	–
Level 2	471,138	16,395,877	16,867,015	471,138	16,395,877	16,867,015

	The Group			The Company		
At 31 December 2014	**Freehold building N'000**	**Leasehold building N'000**	**Total investment properties N'000**	**Freehold building N'000**	**Leasehold building N'000**	**Total investment properties N'000**
Level 1	–	–	–	–	–	–
Level 2	673,984	15,868,125	16,542,109	673,984	15,868,125	16,542,109
	673,984	15,868,125	16,542,109	673,984	15,868,125	16,542,109

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 asset or liability that are not based on observable market data (that is, unobservable inputs)

The Group's investment properties were revalued at 31 December 2015 by a team of independent professionally qualified valuers (Messrs Steve Akhigbemidu & Co.) who hold recognised relevant professional qualifications and have relevant experience in the locations and categories of the investment properties valued.

Basis of valuation
The determination of fair market values for the investment properties was based on a combination of methods including Investment/ Income Capitalisation, Direct Market Comparison and Depreciated Replacement Cost methods of valuation on the assumption of continuity in their existing uses.

The fair market values are the estimated amounts for which assets should exchange on the valuation date between a willing buyer and a willing seller at arm's length transaction after proper marketing wherein parties had each acted knowledgeably, prudently and without compulsion.

The choice of valuation method was guided by these factors:
i) Purpose of the valuation;
ii) Types and current states of the properties;
iii) Availability of information on recent sale or lease transactions.

16. Investments in associate and joint ventures

The amounts recognised in the Statement of Financial Position are as follows:

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Associate	19,109,799	18,538,372	16,489,153	16,489,153
Joint ventures	2,088,068	552,203	2,088,068	552,203
	21,197,867	**19,090,575**	**18,577,221**	**17,041,356**

16.1 Investments in Associate

Set out below is the associate of the group as at 31 December 2015. The associate as listed below have share capital consisting solely of ordinary shares, which are directly held by the group. The country of incorporation or registration is also their principal place of business.

Nature of investment in associate:

Name of entity	Country of incorporation	2015 N'000	2014 N'000	2015 % ownership	2014 % ownership	Measurement method
UPDC REIT	Nigeria	19,109,799	18,538,372	61.5%	61.5%	Equity

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

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

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
At 1 January	18,538,372	16,489,153	16,489,153	16,489,153
Share of profit	1,787,461	2,978,959	–	–
Distribution received	(1,216,034)	(929,740)	–	–
At 31 December	**19,109,799**	**18,538,372**	**16,489,153**	**16,489,153**

Share of profit of associate:

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 assets. UPDC held 61.5% of the fund as at 31 December 2015. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit for the year ended December 2015.

The reported share of profit from UPDC REIT (N1.79 billion) comprises of actual operating profit (N1.495 billion) and revaluation gain (N171.8 million) on fair valuation of investment properties held. Cash distribution spanning 12 months from July 2014 to June 2015 was received during the year. The SEC has approved the REIT's financial statement to June 2015 and the outstanding cash distribtuion for six (6) months to December 2015 will be recognised when received.

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

16.2 Investments in Joint Ventures

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
UPDC Metro City Limited	244,170	244,170	244,170	244,170
First Festival Mall Limited	234,427	234,427	234,427	234,427
James Pinnock JV	1,535,865	–	1,535,865	–
Transit Village Dev. Co. Ltd	73,606	73,606	73,606	73,606
	2,088,068	**552,203**	**2,088,068**	**552,203**

The movement in the investment in joint ventures during the year is stated below:

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
At 1 January	552,203	552,203	552,203	552,203
Purchase/additional Investment	1,535,865	–	1,535,865	–
At 31 December	**2,088,068**	**552,203**	**2,088,068**	**552,203**

Nature of investment in Joint ventures:

Name	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. Company Limited	Olive Court	Nigeria	Joint venture	Equity	51%
Pinnacle Apartment Dev. Limited	Pinnacle Apartments	Nigeria	Joint venture	Equity	51%
Calabar Golf Estate Limited	Golf Estate	Nigeria	Joint venture	Equity	51%
UPDC Metrocity Limited	Metrocity	Nigeria	Joint venture	Equity	60%
James Pinnock JV	James Pinnock Place	Nigeria	Joint venture	Equity	51%
Transit Village*	Transit Village	Nigeria	Joint venture	Equity	40%

All joint ventures are primarily set up for projects as stated above. The investments in Joint Venture were measured at cost.

* Transit Village JV was not operational as at year end. The company's investment represents the seed capital contributed towards acquiring the land for the project.

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

Name	Non Current Asset	Current Asset	Non-Current Liabilities	Current Liabilities	Cash & Cash Equivalent	Net Asset	Carrying value
31 December 2015							
First Festival Mall Limited	8,545,169	357,850	2,952,049	5,430,020	184,702	520,950	234,427
First Restoration Dev. Company Limited	1,456,070	53,758	305,325	1,204,503	53,758	–	–
Pinnacle Apartment Dev. Limited	3,315,484	113,951	650,000	2,779,436	113,951	–	–
Calabar Golf Estate Limited	1,293,112	–	775,000	518,112	–	–	–
UPDC Metro City Ltd	9,648,564	21,087	2,306,044	6,956,658	21,087	406,949	244,170
James Pinnock JV	2,450,912	2,558,818	1,998,230	–		3,011,500	1,535,865
UPDC REIT	26,215,912	6,634,368	896,626	1,030,238	2,799,647	30,923,416	19,109,799

Name	Revenue	Depreciation	Interest Income	Interest Expense	Tax Expense	Profit
31 December 2015						
First Festival Mall Limited	–	–	–	347,061	–	–
First Restoration Dev. Coy Limited	–	–	–	–	–	–
Pinnacle Apartments Dev. Limited	–	–	–	–	–	–
Calabar Golf Estate Limited	–	–	–	54,750	–	–
UPDC Metrocity Limited	–	–	–	59,976	–	–
James Pinnock	–	–	43,218	–	–	–
UPDC REIT	1,513,467	–	1,137,811	–	–	2,711,345

Name	Non Current Asset	Current Asset	Non-Current Liabilities	Current Liabilities	Cash & Cash Equivalent	Net Asset	Carrying value
31st December 2014							
First Festival Mall Limited	3,854,035	1,149,253	–	1,530,289	(396,333)	3,472,999	234,427
First Restoration Dev. Coy Limited	305,325	544,646	305,325	544,646	22,802	–	–
Pinnacle Apartments Dev. Limited	1,724,136	445,916	650,000	1,520,252	10,784	–	–
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	–	406,949	244,170
UPDC REIT	3,708,000	7,219,087	146,750	748,038	72,889	30,032,299	18,538,372

Name	Revenue	Interest Income	Interest Expense	Tax Expense	Profit/ (Loss)
31st December 2014					
First Festival Mall Limited	–	–	174,951	–	–
First Restoration Dev. Coy Limited	–	–	1,176	–	–
Pinnacle Apartments Dev. Limited	–	–	57,478	–	–
Calabar Golf Estate Limited	–	–	–	–	–
UPDC Metrocity Ltd	–	–	337,363	–	–
Transit Village	–	–	–	–	–
UPDC REIT	2,048,292	1,390,874	–	–	4,843,835

Investments in associate and Joint Ventures are measured at cost.

The associate and joint venture companies noted above are Special Purpose Vehicles (SPVs) set up between UPDC and other parties (including land owners, private equity firms and other financiers) for real estate development. UPDC has equity contributions in First Festival Mall Limited, UPDC Metro City Limited, James Pinnock JV and Transit Village as designated. The company had no commitment or contingent liabilities to the associate and joint ventures as at December 2015, beyond the equity contributions held and outstanding working capital advances.

UPDC has no direct equity contribution in the Pinnacle Apartments Development Ltd, First Restoration Development Co. Ltd and Calabar Golf Estate Ltd. These three SPVs have nominal share capital designated for the purpose of profit sharing only. The joint ventures are not equity backed; the land contribution by the JV partners are treated as interest-free loans to the ventures which will be deducted from sales proceeds as part of project development costs and paid back to the partners before profits are shared. The nominal share holding by UPDC and the other parties entitles them only to a share of the net profit which is determinable at the project closure.

With the exception of the associate (UPDC REIT) all the SPV companies are nominal companies and will be wound up once the projects are completed and developed house units are fully sold.

UPDC plans to hold 40% of the REIT for the long term. The surplus stake of 21.5% is to be disposed for cash.

17. Available for sale financial asset

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Investment in UNICO CPFA Limited	10,000	10,000	10,000	10,000

This represents 6.7% holding in the ordinary share capital of UNICO CPFA Limited, a company incorporated and operating in Nigeria.

The investment is measured at cost. The fair value cannot be obtained as the shares of the company is not quoted.

18. Investments in subsidiaries

Principal investments	2015 N'000	2014 N'000	2015 % ownership	2014 % ownership
UPDC Hotels Limited				
2,082,500,000 Shares of ₦1.00 each	2,082,500	2,082,500	94.70	94.70
Manor Gardens				
53,810,000 Ordinary Shares of ₦1.00 each	53,810	53,810	67.50	67.50
	2,136,310	2,136,310		
Impairment of investments	(2,136,310)	(53,810)		
	-	**2,082,500**		

Investments in subsidiaries are measured at cost.

The company's investment in UPDC Hotels Limited was tested for impairment as at the end of 2015. A value-in-use computation was done using a discount rate of 16.85% (benchmarked to CBN prime lending rate) premised on a 3-year projection of income, capital expenditure (CAPEX), continued losses, past experiences and the looming CAPEX shock as there has been no major refurbishment of the facility since inception, the Present Value of the free cash flows was negative therefore no recoverable amount was recognized.

19. Inventories

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Consumption stocks and spares	128,510	142,520	–	–
Non trade stock	36,731	37,254	17,896	15,401
Properties under construction (Note 20)	12,166,714	9,489,183	12,195,263	9,742,222
	12,331,955	**9,668,957**	**12,213,159**	**9,757,623**

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

20. Properties under construction

	The Group		The Company	
Cost/Valuation	2015 N'000	2014 N'000	2015 N'000	2014 N'000
As at January	9,489,183	12,707,099	9,742,222	12,707,099
Additions	5,896,842	5,125,222	5,896,842	5,125,222
Reclassification as investment properties (Note 15)	(260,000)	(297,741)	(260,000)	(297,741)
Disposals	(3,178,378)	(7,498,376)	(3,178,378)	(7,498,376)
Impairment of Parkview Estate	–	(293,982)	–	(293,982)
Provision for Maitama Land	(5,423)	–	(5,423)	–
Unrealised gain on transfer of asset	224,490	(253,039)	–	–
As at 31 December 2015	**12,166,714**	**9,489,183**	**12,195,263**	**9,742,222**

21. Trade and other receivables

	The Group		The Company	
Receivables due within one year	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Trade receivables	2,042,570	2,605,610	1,846,418	2,483,202
Less: provision for impairment of trade receivables	(172,017)	(208,071)	(159,857)	(195,644)
Net trade receivables	**1,870,553**	**2,397,539**	**1,686,560**	**2,287,558**
Receivables from related companies (Note 29)	6,096,373	5,189,516	20,467,712	19,990,233
Other receivables	786,233	1,605,255	724,082	1,512,626
Advances to staff	8,982	10,818	8,982	10,745
	8,762,140	**9,203,129**	**22,887,336**	**23,801,162**

Analysis of other receivables				
Bond sinking fund	–	166,667	–	166,667
Sundry debit balances	120,954	150,261	120,954	102,124
Mobilization payment to contractors	533,270	1,178,714	533,270	1,178,714
Prepayments and accrued income	132,008	109,614	69,857	65,121
	786,233	**1,605,255**	**724,082**	**1,512,626**

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

	The Group		**The Company**	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
At 1 January	208,071	173,580	195,644	173,580
Provision for receivables impairment	–	34,491	–	22,064
Unused amounts reversed	(36,054)	–	(35,786)	–
At 31 December	**172,017**	**208,071**	**159,857**	**195,644**

22. Cash and cash equivalents

	The Group		**The Company**	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Cash at bank and in hand	100,904	126,578	54,170	58,858
Less: bank overdrafts (included in borrowings, Note 23)	(1,249,420)	(1,136,708)	(1,249,420)	(1,136,708)
Cash and cash equivalents	**(1,148,516)**	**(1,010,130)**	**(1,195,250)**	**(1,077,850)**

Offsetting of bank overdraft against cash at bank and in hand is only for the purpose of the statement of cash flow.

23. Borrowings

	The Group		**The Company**	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Current borrowings				
Bank overdrafts	1,249,420	1,136,708	1,249,420	1,136,708
Commercial papers (ii)	12,932,861	10,432,861	12,932,861	10,432,861
Loans due within one year (i)	2,224,840	4,455,931	2,224,840	4,455,931
	16,407,121	**16,025,500**	**16,407,121**	**16,025,500**
Non-current borrowings				
Loans due after one year (i)	6,399,240	7,501,530	6,399,240	7,501,530
	6,399,240	**7,501,530**	**6,399,240**	**7,501,530**
Total borrowings	**22,806,361**	**23,527,030**	**22,806,361**	**23,527,030**

(i) Loans

The Company Details of the loan maturities are as follows:	Amount due 2015 N'000	 2014 N'000	Tenor	Repayment terms	Security
First Bank of Nigeria Limited	–	1,001,463	–	Quarterly	Equitable mortgage
Union Bank of Nigeria Plc	1,086,270	53,000	7 months	Quarterly	Equitable mortgage
FSDH Merchant Bank Ltd	4,044,121	4,000,000	41 months	Quarterly	Equitable mortgage
Guaranty Trust Bank Plc	3,493,689	3,500,000	44 months	Quarterly	Equitable mortgage
Corporate Bond (Series 1)	–	3,401,468	–	36 months	Bank guarantee, equitable mortgage, sinking fund
	8,624,080	**11,955,931**			

* The company had a revolving Commercial Paper line of N300 million and a Bank Guarantee line of N100 million from First Bank Nig. Ltd. which were untilised as at the year end.

* The average interest rate for facilities from local banks during the period was 16.6% (2014: 14.2%) inclusive of the balance of the Corporate Bond at 10% coupon.

* All covenants attached to borrowings were complied with throughout the year.

* Total borrowing cost of N2.0 billion (2014: N1.5 billion) have been capitalised into various projects (Property Under Construction in Inventory) using weighted average rate of 16.6%

ii) Commercial papers

	The Group 2015 N'000	 2014 N'000	The Company 2015 N'000	 2014 N'000
UBA Plc	7,432,861	7,932,861	7,432,861	7,932,861
FSDH Merchant Bank Limited	500,000	500,000	500,000	500,000
FBN Merchant Bank Limited	5,000,000	–	5,000,000	–
Zenith Bank Plc	–	2,000,000	–	2,000,000
Total Commercial Papers	**12,932,861**	**10,432,861**	**12,932,861**	**10,432,861**

24. Trade and other payables

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Trade payables	2,883,467	1,243,537	2,775,256	1,143,359
Amounts owed to related parties (Note 29)	6,967,167	2,490,404	6,967,167	2,490,404
	9,850,634	**3,733,941**	**9,742,424**	**3,633,763**
Other payables	641,663	1,001,386	641,663	1,212,242
Accruals	1,560,628	1,760,861	817,387	1,494,972
	12,052,926	**6,496,188**	**11,201,474**	**6,340,977**

	The Group		The Company	
	2015 Days	**2014 Days**	**2015 Days**	**2014 Days**
Average credit period taken for trade purchases	99	87	99	87

Trade and other payables comprise amounts outstanding for trade purchases and ongoing projects. The Directors consider the carrying amount of trade and other payables to approximate their fair value due to their short term maturity period and no significant discounts is expected on payments of the obligations.

25. Deferred Taxation

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

	The Group		The Company	
Deferred tax liabilities:	**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
– Deferred tax liability to be recovered after more than 12 months	483,229	1,732,957	483,229	1,040,022
– Deferred tax liability to be recovered within 12 months	–	(692,935)	–	–
Deferred tax (liabilities)	**483,229**	**1,040,022**	**483,229**	**1,040,022**

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

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
At 1 January	1,040,022	1,732,957	1,040,022	1,732,957
Income Statement charge	(556,793)	(692,935)	(556,793)	(692,935)
At 31 December	**483,229**	**1,040,022**	**483,229**	**1,040,022**

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 N'000**	**Investment property N'000**	**Provisions N'000**	**Tax losses N'000**	**Capital gains to be reinvested**	**Total N'000**
At 1 January 2015	(10,695)	1,731,057	(680,340)	–	–	1,040,022
Charged/(credited) to the profit or loss	(80,331)	(554,400)	583,445	(506,914)	1,409	(556,793)
At 31 December 2015	**(91,026)**	**1,176,657**	**(96,895)**	**(506,914)**	**1,409**	**483,229**

The Company **Deferred tax liabilities**	**Property, plant and equipment N'000**	**Investment property N'000**	**Provisions N'000**	**Tax losses N'000**	**Capital gains to be reinvested**	**Total N'000**
At 1 January 2015	(10,695)	1,731,057	(680,340)	–	–	1,040,022
Charged/(credited) to the profit or loss	(80,331)	(554,400)	583,445	(506,914)	1,409	(556,793)
At 31 December 2015	**(91,026)**	**1,176,657**	**(96,895)**	**(506,914)**	**1,409**	**483,229**

Group/ Company

At the Statement of Financial Position date, the Group has N1.69 billion unused tax (2014:N651.37 million) available for offset against future profits.

26 (a) Share capital

The Group and The Company	**2015**		**2014**	
	Units '000	**Amount N'000**	**Units '000**	**Amount N'000**
Authorised:				
Ordinary shares of 50k each	3,500,000	1,750,000	2,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of 50k each	1,718,750	859,375	1,718,750	859,375

26 (b) Share Premium

Share premium is the premium on actual price of share issue above the par value of 50 kobo and it is used to take care of bonus issues.

Section 120.2 of Companies and Allied Matters Act CAP C20 Law of Federation of Nigeria 2004 requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

26 (c) Retained Earnings

Retained earnings represents accumulated profit over the years.

27. Reconciliation of profit before tax to cash generated from operations

	The Group		The Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
Profit before tax	55,851	3,540,525	(1,796,136)	2,036,161
Adjustment for non cash items				
Depreciation	358,063	598,726	44,767	117,332
Impairment/write off of property, plant & equipment and investment in subsidiary	473,413	–	2,082,500	–
Amortization of intangible asset	11,392	30,954	8,608	1,486
Fair value gain on investment properties	(252,678)	(1,541,406)	(252,678)	(1,541,406)
(Gain)/ Loss on disposal of investment properties	57,365	(496,700)	57,365	(496,700)
(Profit)/ Loss on disposal of property, plant and equipment	(4,223)	37,309	(4,563)	37,309
Finance cost	2,670,625	2,657,289	2,670,625	2,657,289
Exchange (gain)/ Loss	(8,801)	(8,778)	(6,238)	(7,394)
Finance income	(607,981)	(721,787)	(607,981)	(721,787)
Distribution received from UPDC REIT	–	–	(1,216,034)	(929,740)
Share of associate's profit	(1,787,461)	(2,978,959)	–	–
	965,566	1,117,174	980,235	1,152,550
Changes in working capital				
(Increase)/decrease in inventories	(2,925,602)	4,290,642	(2,715,536)	2,668,354
Decrease/(increase) in trade & other receivables	440,989	(4,032,422)	913,826	(2,855,460)
Increase/(decrease) in trade & other payables	5,555,173	(848,824)	4,858,932	(756,343)
Cash flow from operating activities	**4,036,126**	**526,570**	**4,037,457**	**209,101**

28. Deferred revenue

Deferred revenue are rentals received in advance which are recognized in the profit or loss statement when earned.

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Current	241,370	114,264	241,370	114,264
Non Current	15,751	144,422	15,751	144,422
	257,121	**258,686**	**257,121**	**258,686**

The Group and company lease out a number of premises to third parties. These are subject to review dates ranging from 1 year to 2 years. Movement in the deferred revenue is as follows:

	The Group		The Company	
	2015 N'000	**2014 N'000**	**2015 N'000**	**2014 N'000**
Opening balance	258,686	271,931	258,686	271,931
Rental received in the year	508,618	482,831	508,618	482,831
Less amount released to Profit or Loss	(510,183)	(496,076)	(510,183)	(496,076)
Balance carried forward	**257,121**	**258,686**	**257,121**	**258,686**

29 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 in the ordinary course of business:

(a) Sales of goods and services

			The Group		The Company	
	Relationship	Nature of transaction	2015 N'000	2014 N'000	2015 N'000	2014 N'000
UAC of Nigeria Plc	Parent	Property rental, use of Golden Tulip Festac Hotel and fee on manage–ment of facilities	112,094	122,149	101,116	122,149
UAC Foods Limited	Fellow Subsidiary		195	–	–	–
Portland Paints and Products Nig. Plc.	Fellow Subsidiary		458	–	–	–
UAC Restaurants Limited	Fellow Subsidiary		11,557	2,505	11,557	2,505
Chemical & Allied Products Plc	Fellow Subsidiary		13,785	–	13,785	–
MDS Logistics Limited	Fellow Subsidiary		21,115	9,453	10,475	9,453
UNICO CPFA Limited	Fellow Subsidiary		3,977	37,658	3,977	37,658
Key management personnel			578	195	578	195

(b) Purchases of goods and services

			The Group		The Company	
	Relationship	Nature of transaction	2015 N'000	2014 N'000	2015 N'000	2014 N'000
UAC of Nigeria Plc	Parent	Management fee per service agreement with UAC and direct purchase of products from fellow subsidiaries	37,383	85,863	37,383	85,863
UNICO CPFA Limited	Fellow Subsidiary		–	103	–	103
UAC Foods Limited	Fellow Subsidiary		18,007	–	18,007	–
UAC Restaurants Limited	Fellow Subsidiary		–	33,212	–	33,212
Chemical & Allied Products Plc	Fellow Subsidiary		12,946	32,722	12,946	32,722
Warm Spring Waters Nig Limited	Fellow Subsidiary		620	529	620	529
Grand Cereals Limited	Fellow Subsidiary		29,108	1,011	29,108	1,011
MDS Logistics Limited	Fellow Subsidiary		–	52,291	–	52,291
UPDC Hotels Limited	Subsidiary		–	–	7,045	14,006

(c) Key management compensation

Key management have been determined as directors (executive and non-executive) the Chairman and other senior managements that form part of the leadership team. Details of compensation are documented in Note 7.

(d) Receivable from related companies

		The Group		The Company	
Receivables:		2015 N'000	2014 N'000	2015 N'000	2014 N'000
UPDC Metrocity Limited loan (i)	Joint Venture	1,383,626	1,383,626	1,383,626	1,383,626
UPDC Metrocity Limited	Joint Venture	1,588,547	967,422	1,588,547	967,422
UPDC Hotels Limited	Subsidiary	–	–	14,371,339	14,483,935
First Festival Mall Limited loan	Joint Venture	1,328,422	1,328,422	1,328,422	1,328,422
First Festival Mall Limited (iii)	Joint Venture	305,829	671,991	305,829	671,991
First Restoration Dev. Co. Limited	Joint Venture	161,557	–	161,557	–
Calabar Golf Estate Limited	Joint Venture	481,712	275,735	481,712	275,735
Pinnacle Apartment Development Limited	Joint Venture	230,496	58,134	230,496	58,134
Manor Gardens Limited	Subsidiary	–	–	0	316,782
MDS Logistics Limited	Fellow Subsidiary	26	2,510	26	2,510
Imani and Sons	JV Partner	593,675	501,676	593,675	501,676
Galaxy Mall & Galleria Ltd Current Account	Joint Venture	1,138	–	1,138	–
UPDC REIT	Associate	2,778	–	2,778	–
UAC of Nigeria Plc	Parent Company	8,764	–	8,764	–
UNICO CPFA Limited	Fellow Subsidiary	1,539	–	1,539	–
UAC Restaurants Limited	Fellow Subsidiary	7,470	–	7,470	–
Other affiliates	Fellow Subsidiary	793	–	793	–
		6,096,373	**5,189,516**	**20,467,712**	**19,990,233**

i. Loan to UPDC Metrocity 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.

		The Group		The Company	
Payables to related parties		**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
UAC of Nigeria Plc.	Parent Company	2,000,664	1,559,868	2,000,664	1,559,868
First Restoration Dev. Co. Limited	Joint Venture	–	27,828	–	27,828
UPDC REIT	Associate	6,922	2,708	6,922	2,708
MDS Logistics Limited	Fellow Subsidiary	1,018,166	900,000	1,018,166	900,000
James Pinnock current account	Joint Venture	2,537,514	–	2,537,514	–
Grand Cereals Limited	Fellow Subsidiary	1,368,000	–	1,368,000	–
Portland Paints and Products Nig. Plc.	Fellow Subsidiary	13,240	–	13,240	–
UAC Foods Limited	Fellow Subsidiary	17,689	–	17,689	–
Other affiliates	Fellow Subsidiary	4,972	–	4,972	–
		6,967,167	**2,490,404**	**6,967,167**	**2,490,404**

All trading balances will be settled in cash.
There were no provisions for doubtful related party receivables at 31st December 2015 (2014: nil) and no charges to the profit or loss in respect of doubtful related party receivables (2014: nil).

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

30. Capital commitments and contingent liabilities

	The Group		The Company	
a. **Capital Commitments**	**2015 N'000**	**2014 N'000**	**2015 N'000**	**2014 N'000**
Capital expenditure authorised	13,521,084	10,847,425	13,401,034	10,847,425
Capital expenditure authorised & contracted	6,036,430	5,329,357	6,014,303	5,329,357

b. Contingent liabilities

In 2006, the company acquired a parcel of land in Ikoyi from Wema Bank. The Certificates of Occupancy covering the property were issued by the Federal Ministry of Works and Housing (FMWH). Subsequently, the property was developed into Parkview Estate at a carrying value of N1.5billion.

However, County & City Bricks Limited (CCBL) took the FMWH and UPDC to court claiming that the land formed part of the parcel of land that it was to be granted a statutory right of occupancy 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 FMWH breached and that CCBL was entitled to the parcel of land (including the UPDC acquired area). The court further declared the certificates of UPDC and other parties to the suit 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 appealed the judgment. The counsel (Paul Usoro, SAN) opined that UPDC has a high chance of succeeding in its appeal because of inconsistencies in the judgment of the Federal 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 in 2014 – fair market: N1.8billion, forced sale: N1.2billion, following which the directors wrote down the property to its forced sale value of N1.2 billion.

There were other litigations as at the reporting 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.

31. 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 N37.38 million (2014–N100.81 million)

32. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

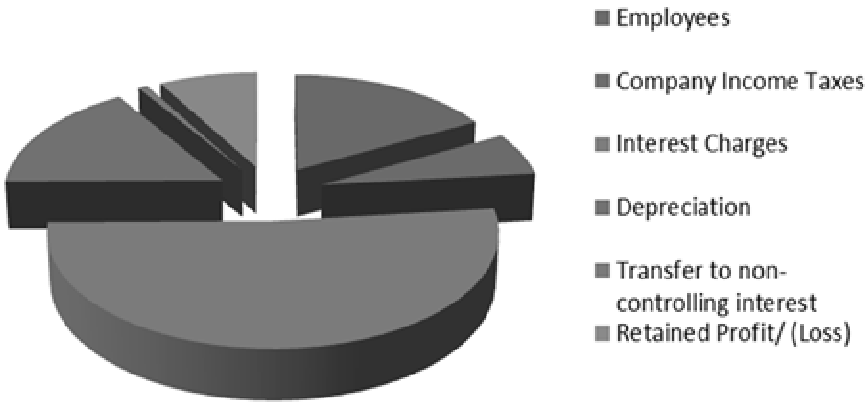
33. Subsequent events

There were no material events subsequent to the balance sheet date that has not been accounted for or disclosed in these financial statements.

FINANCIAL STATEMENTS

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Group				Company			
	2015 N'Million	**%**	**2014 N'Million**	**%**	**2015 N'Million**	**%**	**2014 N'Million**	**%**
Sale of properties, rents and services	**5,120.9**		11,701.0		**3,738 .3**		10,081.0	
Bought in materials and services (All local)	**(673.6)**		(3,376.0)		**(2,520.0)**		(4,087.0)	
Value Added	**4,447.3**	**100.0**	**8,325.0**	**100.0**	**1,459.9**	**100.0**	**5,994.0**	**100.0**
Distribution:								
Employees	**878.4**	**19.8**	834.0	10.0	532.0	36.4	489.0	8.2
Company Income Taxes	**(324.9)**	**(7.3)**	644.0	7.7	(324.9)	(22.3)	644.0	10.7
Interest charges	**2,670.6**	**60.0**	2,657.0	31.9	2,670.6	182.9	2,657.0	44.3
Dividend	**-**	**-**		-	-	-		-
Depreciation	**842.5**	**18.9**	600.0	7.2	**53.4**	**3.7**	119.0	2.0
Transfer to non-controlling interests	**(41.0)**	**(0.9)**	(13.0)	(0.2)	**-**	**-**	-	-
Retained Profit/ (Loss)	**421.8**	**9.5**	3,602.0	43.3	**(1,471.2)**	**(100.8)**	2,085.0	34.8
Deffered tax	**(557)**		(693)		**(557)**		(693)	
	4,447.3	**100.0**	8,325.0	100.0	**1,459.9**	**100.0**	5,994.0	100.0



FINANCIAL STATEMENTS

FIVE –YEAR FINANCIAL SUMMARY

	The Group				
	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Statement of financial position as at 31 December					
					Nigeria GAAP
Non–current liabilities	6,898,220	8,685,975	6,460,497	14,052,171	18,127,560
Current liabilities	29,488,180	23,348,880	26,664,943	26,059,945	20,926,959
Total liabilities	36,386,400	32,034,855	33,125,440	40,112,116	39,054,519
Issued share capital	859,375	859,375	687,500	687,500	687,500
Share premium	3,943,273	3,943,273	4,115,148	4,115,148	4,115,148
Revenue reserve	30,892,525	31,330,132	28,691,018	26,459,730	25,136,674
Shareholders' funds	35,695,172	36,132,780	33,493,666	31,262,378	29,939,322
Non–controlling interest	(121,003)	(80,013)	(67,393)	(15,875)	22,548
Total equity	35,574,169	36,052,767	33,426,273	31,246,503	29,961,870
Net equity and liabilities	**71,960,566**	**68,087,621**	**66,551,713**	**71,358,619**	**69,016,388**
Plant, Property & Equipment & Investment properties	29,557,700	29,988,381	30,292,328	47,787,488	43,535,227
Long term Investments	21,207,867	19,100,575	17,991,241	327,776	81,606
Current assets	21,195,000	18,998,665	18,268,144	23,243,356	25,399,556
Total assets	**71,960,566**	**68,087,621**	**66,551,713**	**71,358,619**	**69,016,388**
Statement of Profit or Loss and other Comprehensive Income					
Revenue	**5,120,932**	**11,700,506**	**11,298,899**	**12,039,603**	**6,782,819**
Profit before taxation	55,851	3,540,525	3,707,533	2,454,951	2,398,713
Taxation	324,926	48,552	(552,114)	(274,640)	(728,608)
Profit after taxation	380,778	3,589,077	3,155,419	2,180,310	1,670,105
Non–controlling Interest	(40,990)	(12,620)	(38,369)	(35,190)	(38,791)

	2015 N'000	2014 N'000	2013 N'000	2012 N'000	2011 N'000
Earnings per share for profit attributable to the equity holders of the group	421,768	3,601,697	3,193,788	2,215,500	1,708,895
Proposed dividend	–	(859,375)	(962,500)	(962,500)	(893,750)
Retained profit	421,768	2,742,322	2,231,288	1,253,000	815,145
Basic Earnings per share (kobo)	25	210	232	161	124
Dividend per share (kobo)	–	50	70	70	65
Net assets per share (Naira)	20.7	21.0	24.3	22.7	21.8

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 First Trustees Limited) each held more than 5% of the issued capital of the company as at 31st December 2015. 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 capital.

Shareholding range analysis

RANGE	HOLDERS	HOLDERS %	HOLDERS CUM	UNITS	UNITS %	UNITS CUM
1 – 5,000	21,389	75.99	21,389	36,799,482	2.14	36,799,482
5,001 – 10,000	3,171	11.27	24,560	22,218,569	1.29	59,018,051
10,001 – 50,000	2,716	9.65	27,276	58,596,108	3.41	117,614,159
50,001 – 100,000	447	1.59	27,723	31,791,056	1.85	149,405,215
100,001 – 500,000	316	1.12	28,039	63,641,910	3.70	213,047,125
500,001 – 1,000,000	49	0.17	28,088	33,974,361	1.98	247,021,486
1,000,001 – 10,000,000	44	0.16	28,132	135,543,025	7.89	382,564,511
10,000,001 – 500,000,000	14	0.05	28,146	545,560,484	31.74	928,124,995
500,000,001 – 1,000,000,000	1	0.00	28,147	790,625,000	46.00	1,718,749,995
	28,147	**100**		**1,718,749,995**	**100**	

Share Capital History

Year	Bonus Issue	Units	Value (₦)
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
2014 to 2015	None	1,718,750,000	859,375,000

Five Year Share Price History

Year	Last trading day	Closing Share Price	Inc/(Dec) over preceding year
2011	31-Dec-11	12.00	(27%)
2012	31-Dec-12	11.00	(8%)
2013	31-Dec-13	19.00	73 %
2014	31-Dec-14	9.50	(50%)
2015	31-Dec-15	6.09	(36%)

Five -Year Dividend History

Dividend Number	Reporting Period	Closure Date	Dividend Per Share	Dividend Total (N)
13	2010 Accounting year	7th June 2011	0.55	756,250,000
14	2011 Accounting year	16th May, 2012	0.65	893,750,000
15	2012 Accounting year	20th May, 2013	0.70	962,500,000
16	2013 Accounting year	12th May, 2014	0.70	962,500,000
17	2014 Accounting year	7th August, 2015	0.50	962,500,000

UPDC UNCLAIMED DIVIDENDS AS AT DECEMBER 31ST, 2015

S/N	DATE OF PAYMENT	DIVIDEND NUMBER	AMOUNT OF DIVIDEND DECLARED	TOTAL DIVIDEND PAID TO DATE	UNPAID DIVIDEND [UNCLAIMED DIVIDEND]–Returned to Company
1		2	TAKEN OVER		
2		3	TAKEN OVER		
3		4	TAKEN OVER		
4	31–05–03	5	315,000,000.00	294,423,871.44	
5	31–05–04	6	405,000,000.00	397,178,987.70	
6	23–05–05	7	180,000,000.00	179,844,054.58	
7	29–05–06	8	247,500,000.00	238,669,834.82	
8	29–05–07	9	346,499,999.00	339,468,273.98	
9	13–05–08	10	485,099,998.67	478,978,191.42	113,793,767.64
10	12–05–09	11	742,499,997.97	719,053,807.86	
11	15–06–10	12	494,999,998.65	489,698,969.08	
12	07–06–11	13	680,624,998.02	668,580,163.74	
13	16–05–12	14	804,375,000.00	798,015,491.78	
14	21–06–13	15	866,249,997.48	850,144,575.75	
15	06–05–14	16	886,250,000.00	744,817,738.85	141,432,261.15
16	02–09–15	17	859,374,997.50	791,118,205.44	N/A

C005

Africa Prudential Registrars Plc

RC NO: 649007

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:

Must be confirmed by the bank

*BANK'S AUTHORISED SIGNATURE & STAMP

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

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

CLIENTELE

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

OTHERS: ______________________________

____

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
Africa Prudential Registrars

PROXY FORM

UACN PROPERTY DEVELOPMENT COMPANY PLC
18th Annual General Meeting to be held at 10am on Tuesday 17th May, 2016 at Arthur Mbanefo Hall, Golden Tulip Festac Hotel, 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 17th May, 2016 and at every adjournment thereof

Dated this __________ day of ______________________ 2016.

Shareholder's signature ________________________________

RESOLUTIONS	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS			
To re-elect Prof Okon Ansa as a Director			
To re-elect Mrs. Halimat T. Alao as a Director			
To elect Mrs. Adeniun F. Taiwo as a Director			
To authorize the directors to fix Auditor's remunerations			
To elect members of the Audit Committee			
SPECIAL BUSINESS			
To fix the remuneration of Directors			
To approve general mandate for related party transactions			

Note

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 13th May, 2016. 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.

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 18th Annual General Meeting of UACN PROPERTY DEVELOPMENT COMPANY PLC which will be held at Arthur Mbanefo Hall, Golden Tulip Festac Lagos, Amuwo–Odofin, Lagos on Tuesday, 17th May, 2016 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

18th Annual General Meeting Admission Card
Name and Address of Shareholder

Signature of person attending

SHAREHOLDER ______________________________

PROXY ______________________________

OFFICE ADDRESS:
UAC House
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P. O. Box 156, Lagos
Tel: +234 1 2918653 / 56
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