uacn property development company plc

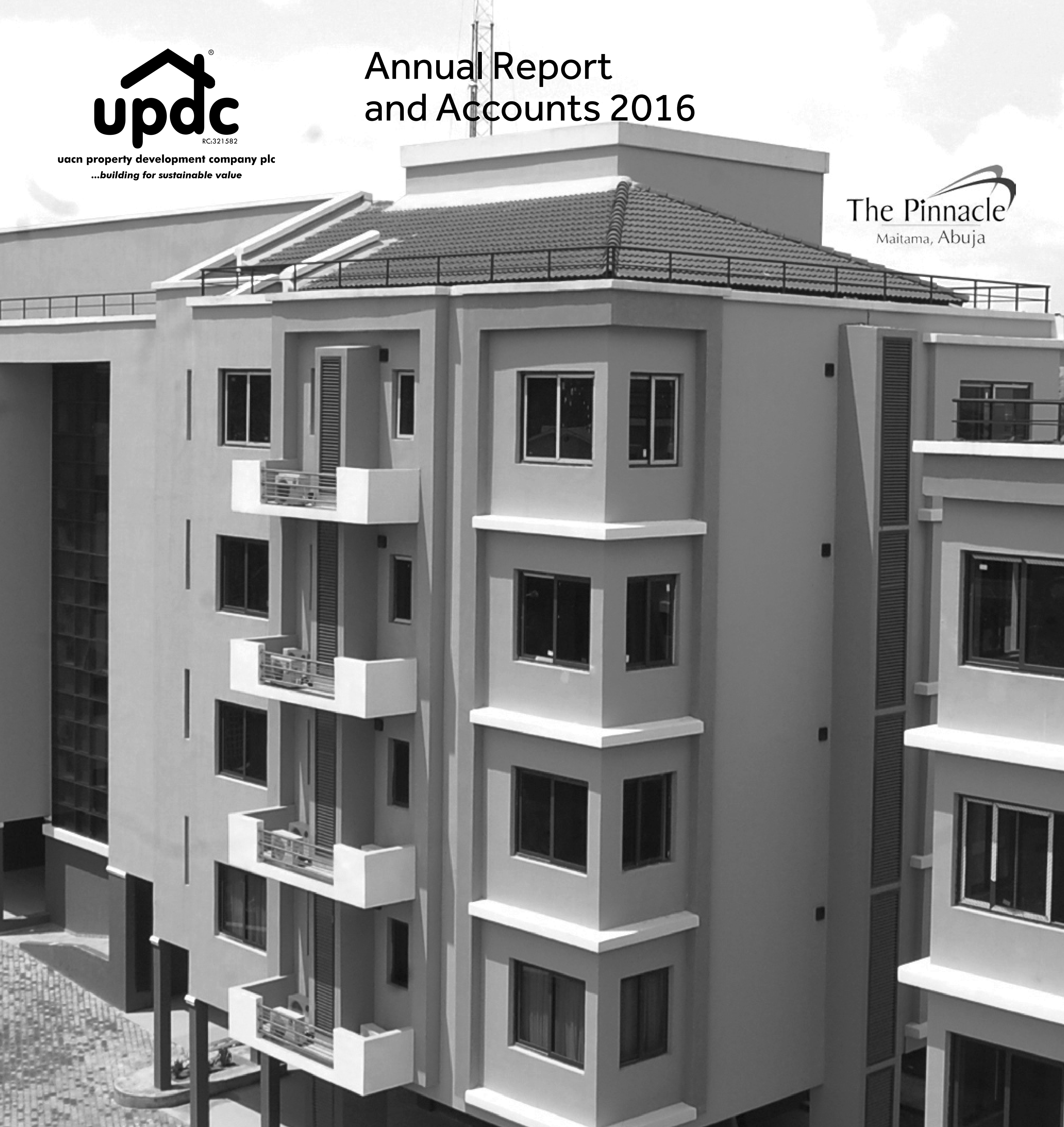
...building for sustainable value

RC:321582

Annual Report and Accounts 2016

The Pinnacle

Maitama, Abuja



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 - 08137513637, **Victoria** - 08033016275, **Wunmi** - 07062888552, **Idongesit** - 08020523564
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®
RC:321582
uacn property development company plc
...building for sustainable value

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 Laws of the Federal Republic 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 operates.

The report covers the operation of UACN Property Development Company (UPDC) Plc. and its subsidiary for the financial year ended 31st December 2016.

Contents

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the next 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 23rd May, 2017 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 2016, together with the Consolidated and Separate Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and the Audit Committee thereon.
2. Re-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. Renewal of General Mandate for related Party Transactions

To renew the General mandate approved at the last Annual General Meeting authorizing the Company to enter into recurrent transactions which are of trading nature or those necessary for its day to day operations with related parties or Companies in accordance with the Rules of the Nigerian Stock Exchange governing transactions with related parties or interested persons.

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 28th day of March, 2017

By Order of the Board

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

Registered Office
UAC House
1-5 Odunlami Street
Lagos

NOTES

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. Nominator should please submit a profile of their nominees to the Company Secretary for publication on the Company's website for the information of all shareholders. Also, by a rule of the Financial Reporting Council, any person attesting as a Chairman of Audit Committee to an Annual Report, Financial Statement, Accounts, Financial Report, Returns and other documents of financial nature shall be a professional member of an accounting body established by an act of National Assembly in Nigeria.

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 Secretary on or before 16th day of May, 2017.

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. Unclaimed dividends lists for dividend No. 17 has been uploaded on the Company's website. Affected members are by this notice please 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.

Board of Directors, Professional Advisers etc

Board of Directors

Mr. Larry Ephraim Ettah	Non-Executive Chairman
Mr Hakeem Bamidele Ogunniran	Managing Director
Arch. (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 Adeniun Folasade Taiwo	Finance Director

Record of Director's attendance at Board Meetings

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

Directors Retiring By Rotation

In accordance with the Articles of Association of the Company, Mr Larry Ettah and Mr Adekunle Awojobi are the Directors retiring by rotation at the meeting and being eligible offer themselves for re-election.

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 the rate of inflation in Nigeria and achieve an average EBIT of 24%

Performance highlights

	2016 N' 000	2015 N' 000	% Change Inc. / (Dec)
Revenue	6,344,822	5,120,932	24%
Profit/ (loss) before taxation and non-controlling interests	(1,783,124)	55,851	-3,293%
Taxation	233,069	324,926	-28%
Total comprehensive Income/ (loss)	(1,550,055)	380,778	-507%
Non-controlling Interests	(29,284)	(40,990)	-29%
Profit / (loss) attributable to equity holders of the Company	(1,520,771)	421,768	-461%
Shareholders' funds	34,174,401	35,695,172	-4%
Earnings per share (kobo)	(88)	25	-452%
Net Assets per share (Naira)	19.80	20.70	-4%
Market price per share as at 31st December (Naira)	2.62	6.09	-57%
Market Capitalisation	4,503,125	10,467,188	-57%

Profile of UPDC's BOARD OF DIRECTORS

MR LARRY ETTAH, 53

Mr. Larry Ephraim 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 has also attended Executive Education Programmes at Graduate School of Business, Stanford University, Harvard Business School, USA, SAID Business School, Oxford University, UK 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 OGUNNIRAN, 54

Mr. Ogunniran is a Lawyer, Chartered Secretary and Fellow of the Chartered Institute of Arbitrators. He 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 ADENIUN FOLASADE TAIWO, 42

Mrs. Taiwo is a fellow 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 UACN Property Development Company Plc. She is an alumnus of Ashridge Business School. She was appointed Finance Director with effect from April 18, 2016.

ARCHITECT (MRS) HALIMA TAYO ALAO, 60

Architect (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, 56

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 UPDC 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.

MR ADEKUNLE OLAKITAN AWOJOBI, 50

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 Honors 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 FBN Trustees Limited 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 elevated to the position of Assistant General Manager. In August 2012, he was appointed the Managing Director/CEO, 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.

PROFESSOR OKON ASUQUO ANSA, 65

Professor 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 is currently a Professor of Plant Pathology at the University of Uyo and a Visiting Professor at Akwa Ibom State University. He 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 honor of Officer of the Order of the Federal Republic (OFR). He joined the Board as a Non-Executive Director on March 26th, 2013.

Larry Ephraim Ettah
Chairman

Chairman's Letter to the Shareholders

Distinguished Shareholders, Colleagues, it is my pleasure to welcome you all to the 19th Annual General Meeting (AGM) of our Company, UACN Property Development Company (UPDC) Plc.

I will at this meeting present to you the Annual Report and Consolidated and Separate Financial Statements of our Company together with its subsidiary (The Group) for the year ended December 31, 2016. However, before I do that I would like to briefly review the business environment during the year and the outlook for the current year.

Review of Global Operating Environment

In 2016, global economic activity remained subdued as market witnessed moderations on major headwinds that characterized 2015. Oil prices hovered between $27.10 earlier in the year and an average of $47.69 in June and ended the year at about $53.72 per barrel in the global oil market.

The major developments that influenced the global outlook included the Brexit, Civil war in Syria, a failed coup d'etat in Turkey and a turbulent election period in the USA.

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

The Nigerian Economy

The Nigerian economy, being a commodity dominated economy was susceptible to global economic trends and slipped into recession during the year. The economy contracted by 1.5% marginally lower than IMF forecast of 1.7%.

Headline inflation closed at 18.6% year-on-year in December, 2016. According to the Nigerian Bureau of Statistics, Nigeria's GDP fell to N18.29 trillion in Q4 2016 compared to N18.53 trillion in Q4 2015. This was occasioned by the lower hydrocarbon revenues, falling reserves, tighter capital controls, currency volatility and insurgency in the Niger Delta. The gloom was also experienced in the Nigerian Stock market, market capitalization dipped from N9.86tn on January 1, 2016 to N9.25tn on December 31, 2016. The Nigerian Stock Exchange All Share Index (NSE ASI) shed 1,495.7 points over the same period to close the year at 26,874.62 points from 28,370.

Additionally, long queues for fuel returned in Q1 and this was finally petered out with the 68% hike in fuel price in May 2016 to N145/litre.

The CBN in a dose of reality partially abandoned the defense of the naira in June 2016 and de-pegged the naira against the dollar by introducing a managed float of the Naira towards achieving a more flexible exchange rate regime. Officially the naira traded at N305/$ but at the parallel market it traded in the region of N485 –N495/$.

It is worthy of note that Fitch revised Nigeria's outlook to Negative in Q4, 2016. The Fitch downgrade of Nigeria's rating led to further erosion of Investor's confidence and subsequent reduction of capital inflows. The naira ended the year with the unenviable record of being the world's worst performing currency in 2016 alongside the Egyptian pound and the Venezuela's bolivar according to Bloomberg.

The Nigerian Real Estate Industry

The Nigerian real estate sector is one of the significant drivers of the country's non-oil economy. The sector accounted for 7.5% of total GDP in 2015 and grew by 2.1% year-on-year in the same year. However, it recorded negative GDP growth in 2016. Q1 contracted by -4.69%, Q2 by-5.27%, Q3 by -7.37% and Q4 by -9.27%.

Housing demand in residential real estate has consistently exceeded supply. A key constraint in bridging the huge gap in housing delivery on the demand side is affordability. The reduced purchasing power of Nigerians and the inability of the low-income earners to pay the prevailing exorbitant rents have led to increased demand for affordable houses. Consequently, developers in recent times have shifted focus to the middle-income segment of the market, where there appears to have been a significant level of income stabilization. The Federal Government and certain State Governments have embarked on initiatives regarding affordable homes and have specific agencies set-up towards that end.

Growth in the retail development slowed down with vacancy rate of between 33%-65% in the big Shopping Malls due to uncomplimentary foreign exchange regime.

Nigeria's real estate market still presents substantial opportunities as well as a number of challenges for property investors and developers. Cumbersome and time-consuming processes for land acquisition, insecure land title, infrastructure deficiency are few of the challenges of the sector. Existing concerns such as underdeveloped mortgage market, paucity of medium to long term infrastructure financial institutions with reasonable interest rates are areas the Federal Government would need to pay particular attention to in the near future in order to move the sector forward.

Review of Operations

Despite the challenging business terrain, your Company continued its ongoing project developments in 2016 and commenced new ones.

The refurbishment of Festac Block B (The Residences) into 192 apartments has been completed and there has been appreciable sales post completion.

Construction work is ongoing at Golf Estate, Calabar. This is a 200-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 residential category, finishing works have been completed at the Pinnacle Apartments, Maitama Abuja (a JV with Imani & Sons Nig. Ltd) while work is currently ongoing at James Pinnock Place (a joint operation with UPDC REIT). We expect to deliver James Pinnock estate to buyers in 2017. Alexander Miller, a thirty eight (38) residential unit was completed during the year.

On the retail side of development, we signed a joint venture agreement with the Kaduna State Government for the construction of Galaxy Mall & Galleria in Kaduna. We moved to site on VMP3 a Car park and Event Centre in Victoria Island, Lagos. Festival Mall in Festac fully commenced operations, with increasing footfall on a daily basis. The line shops are also not invulnerable to the vagaries of the macroeconomic conditions laced with unfavorable government policies, as they continue to seek for rebates and incentives to keep their businesses going.

The hospitality business is considerably challenged. This is obvious from the weak performance of UPDC Hotel Limited. Management efforts for revenue generation, as well as development of ancillary infrastructure will improve the prospect of the Hotel in the future.

As part of efforts to preserve shareholders value, the Company took a strategic view of its operations with the objective of eliminating wastages and improving efficiencies. In light of this, the Company now occupies only one (1) floor in UAC House, Lagos building as against two (2) previously occupied.

The increase in Monetary Policy Rate, recession, government policies and other un-abating economic vagaries in 2016 had negative impact on the performance of the Company. The cost of debt increased significantly, but we were able to ameliorate the effect through a N 17 billion Commercial Paper programme at 11% interest rate per annum.

The company recorded losses upon completion of certain UPDC & Joint Venture projects. The losses are mainly due to high interest costs, effect of the 41 banned items on the CBN list as well as extended completion date. The losses wiped out your Company's investment in MetroCity JV in line with the tenets of International Financial Reporting Standards.

Financial Performance

The Company posted revenue of N4.99b (Group N6.34b) as against 2015 revenue of N3.74b (Group N5.12b).

Loss before taxation (LBT) was (N2.02b), Group N1.78b against loss of N1.8b and Group's profit of N56m in 2015.

Outlook for 2017

We expect an improved economic environment in line with the projected recovery in 2017. The fundamentals of the Real Estate sector are still good given the size of the market and the estimated deficit in the housing sector.

The real estate sector remains an attractive investment destination for investors to hedge their risks against inflation and devaluation. Regardless of the challenges facing the sector, some positive trends in recent times signpost impending growth in the real estate industry. These include, housing sector reforms, refinancing of mortgage loans and establishment of the Nigeria Mortgage Refinance Company (NMRC), rise in property, real estate sector transparency ratings, recapitalization of mortgage institutions and others.

A key strategic imperative for 2017 is to deleverage the Company. This is being achieved through deployment of an aggressive sales strategy, 1 for 1 Rights Issue that is about to be launched, and divestment from low yielding investment properties. The fundamentals of the Company is strong; and the brand remains positioned to deliver value to all stakeholders.

Fellow Shareholders, I wish to assure you that your Board, Management and Staff are addressing the daunting challenges in the operating environment with a view to returning the company to profitability.

Appreciation

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

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

I thank you all for your attention.

Larry Ephraim Ettah
Chairman
FRC/2013/IODN/00000002692

Directors' report

Principal activities

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

Group operating results

	2016	2015
	N'000	N'000
Revenue	6,344,822	5,120,932
Operating (loss)/ profit before impairment	(1,035,216)	528,851
(Loss)/ profit before taxation	(1,783,124)	55,851
Income tax credit	233,069	324,926
(Loss)/ profit after taxation before non-controlling interests	(1,520,771)	421,767
Non-controlling interests	(29,284)	(40,990)
Profit after taxation and non-controlling interests	(1,550,055)	380,778
Dividend proposed	-	-

Dividend

The directors do not recommend the declaration of any dividend to the shareholders in view of the poor performance (2015: Nil).

Directors' interests in shares

	31 December 2016		31 December 2015	
	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 (Retired 18th April, 2016)	866,750	-	183,750	-
Mr. Abdul Akhor Bello	156,250	-	156,250	-
Mr. Adekunle Olakitan Awojobi	-	148,602,252	-	148,602,252
Arch. (Mrs.) Halima Tayo Alao	74,973	-	74,973	-
Prof. Okon A. Ansa	-	-	-	-
Mrs. Adeniun Folasade Taiwo	22,500	-	-	-
	4,232,277	**939,227,252**	**3,526,777**	**939,227,252**

Directors' Interests in Contracts

The following Directors disclosed that they were Directors of the Companies indicated against their names with which the company had contractual and/or banking relationship during the year:

- Mr. Larry Ettah: Coronation Merchant Bank Limited
- Mr. Abdul Bello: Skye Bank Plc
- Mr. Adekunle Awojobi: FBN Trustees Limited

Analysis of Shareholding

	Members shareholding		
	Shareholders number	**Shareholding number**	**Shareholding percent**
Directors and connected persons	7	3,365,527	0.19
UAC of Nigeria Plc	1	790,625,000	46.00
FBN Trustees Nigeria Ltd	1	148,602,252	8.65
Individuals	24,866	236,277,614	13.75
Other corporate bodies	3,429	539,902,102	31.41

Employment policy, employee welfare, safety & environmental issues

UPDC is an equal opportunity employer. It is a fundamental policy of the Group 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 Group 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 Group has provided at the corporate head office, estates and project sites very conducive and safe work environments. The group 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 group 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 group 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 group 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 new Sales Incentive Scheme was introduced during the course of the year to encourage all employees to participate in selling of 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 group 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.

Corporate social responsibility report 2016

UPDC supported the maiden edition of the Protecting Advocacy Challenge which was organized by the office of the Vice President in 2016. The programme was designed to engage displaced children in Borno, Adamawa and Yobe states in a policy dialogue on the urgency of protecting education.

As a member of the Nigerian Conservation Foundation (NCF); UPDC co-sponsored and participated in the annual “Walk for Nature” which was organized by NCF on the 15th of October 2016. Members of staff also participated in the walk whose main objective is to raise awareness in Nigerian cities on the importance of Nature Conversation and the environment.

The Lagos State Ministry of Education and the Lagos State Sports Commission organised the first Under-17 Monopoly Championship in September 2016. UPDC also co-sponsored the championship to support the organizers’ objective of promoting personal financial literacy from an early age to encourage economic empowerment and entrepreneurship amongst the Nigerian youth.

	Donations and sponsorship	**N**
1	2016 Walk for Nature Sponsorship	400,000
2	Workshop on Lagos State Lands Sponsorship	250,000
3	Schooling and Accommodation fee of Visually Impaired Miss Nwaigwe Mercy Ebere	80,000
4	KCCI Quiz Competition Sponsorship	250,000
5	Sponsorship of 2(two) Schools at the city of Lagos U-17 Monopoly Championship	240,000
6	Real Estate Unite 2016 Sponsorship	500,000
9	Association of Consulting Architectures Book Launch Sponsorship	500,000
10	Gossy Water for 2016 Protecting Education Advocacy Sponsorship	192,500
		2,412,500

Commissioning of the Residences at Festac, Lagos

Walk for Nature 2016

Celebrity Hangout with Customers of Festival Mall

Donation of Reflective Jackets to Motorcyclists in Amuwo-Odofin / Festac Town

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 (5) Non-Executive Directors and two (2) 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, a Non-Executive Director, while the Managing Director is Mr. Hakeem Bamidele Ogunniran. The other Executive Director is Mrs. Adeniun Folasade Taiwo the Finance Director. Arch. (Mrs). Halima Tayo Alao is an independent Director. The other Non-Executive Directors are Mr. Abdul Akhor Bello, Mr. Adekunle O Awojobi and Prof. Okon A. Ansa.

The Roles and Responsibilities of the Board

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

a) Formulation of policies, strategy and overseeing the management and conduct of the business.
b) Formulation and management of risk management framework.
c) Succession planning and the appointment, training, remuneration and replacement of Board members and senior management.
d) Overseeing the effectiveness and adequacy of internal control systems.
e) Overseeing the maintenance of the Company's communication and information dissemination policy.
f) Performance appraisal and compensation of board members and senior executives.
g) Ensuring effective communication with shareholders, stakeholders, the investing public.
h) Ensuring the integrity of financial controls and reports.
i) Ensuring that ethical standards are maintained.
j) Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and Code of Corporate Governance by the Company and its Business Units.
k) Definition of the scope of delegated authority to Board Committees and management and their accountabilities.
l) Definition of the scope of corporate social responsibility through the approval of relevant policies.
m) Approval and enforcement of a Code of ethics and business practices for the Company and Code of conduct for Directors.

Board Appointment

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

Directors' Induction and Training

Every newly appointed Director receives a comprehensive letter of appointment detailing the terms of reference of the Board and its Committees, the Board structure, schedule of Board meetings, his entitlements and demand on his time as a result of the appointment.

The letter of appointment is accompanied with the Memorandum and Articles of Association of the Company, the previous Annual Report & Accounts, the Code of Corporate Governance for Public Companies In Nigeria, UACN Code of Business 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. There was no change in the composition of the Board in 2016.

Board Meetings

The Board met five (5) times during the year. The following is the list of the Directors and their attendance at the Board meetings:

DIRECTORS	29/3/2016	17/5/2016	26/7/2016	25/10/2016	6/12/2016
Mr. Larry Ettah	P	P	P	P	P
Mr. Adekunle Awojobi	P	P	P	P	P
Mr. Hakeem Ogunniran	P	P	P	P	P
Mr. Abdul Bello	P	p	P	P	p
Arch. (Mrs.) Halima Alao	P	P	P	P	P
Prof. Okon Ansa	P	P	P	P	P
Mrs. Adeniun Taiwo	NYM	P	P	P	P
Mrs. Folasade Ogunde	P	NLM	NLM	NLM	NLM

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

Board Evaluation

The performance of the Board, Board Committees and individual Directors in 2016 was evaluated. The feedback from the exercise was discussed at a Board meeting for necessary action.

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 Professor Okon Ansa, a Non-Executive Director, and made up of one other Non-Executive Director, the Managing Director and the Finance Director.

The Terms of Reference of the Committee

The Risk & Governance Committee has the following terms of reference:

i) 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 and Group 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	18/3/2016	19/7/2016	17/10/2016
Prof. Okon Ansa	P	P	P
Mr. Abdul Bello	NYM	P	P
Mr .Hakeem Ogunniran	P	P	P
Mrs. Adeniun Taiwo	NYM	P	P
Mrs. Folasade Ogunde	P	NLM	NLM

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

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	16/2/2016	18/4/2016	19/7/2016	19/10/2016
Mr. Abdul Bello	P	P	P	P
Arch. (Mrs.) Halima Alao	P	P	P	P
Mr. Adekunle Awojobi	P	P	P	P
Mr. Hakeem Ogunniran	P	P	P	P
Mrs. Adeniun Taiwo	NYM	P	P	P
Mrs. Folasade Ogunde	P	NLM	NLM	NLM

Keys:
P – Present
NYM – Not Yet a Member
NLM – No Longer a Member

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 tenure of one year and three representatives of the Board of Directors. The Chairman of the Committee is Mr. Adekunle Awojobi, a Chartered Accountant and Non-Executive Director. 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, and Risk & Compliance Manager of the Company.

Committee's Meetings

The following table shows members' attendance at the four meetings of the Committee in 2016:

Members	21/3/2016	16/5/2016	18/7/2016	11/10/2016
Mr. Adekunle Awojobi (Chairman)	NYM	NYM	P	P
Alhaji Gbadebo Olatokunbo	P	P	P	P
Mr. Joe Anosikeh	P	P	P	P
Prof. Okon Ansa	P	P	P	P
Mrs. Halima Alao	P	P	P	P
Engr Taiwo Fawole	AWP	P	P	P
Mr. Abdul Bello	P	P	NLM	NLM

Keys:
P – Present
AWP - Absent With Apology
NYM –Not Yet A Member
NLM – No Longer 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

In existence, is a group-wide Risk & Compliance Unit oversight alongside the Company. UPDC Risk & Compliance Manager has a reporting responsibility to the Group's Head Risk & Compliance. This is to ensure a stronger control environment. Internal Audit and Whistle Blowing services have been outsourced to KPMG Professional Services.

Securities Trading Policy

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

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

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

Shareholders Complaints Management Policy

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

Compliance with the Code of Corporate Governance

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

Responsibility for Annual Consolidated and Separate Financial Statements

The Directors of UPDC Plc are responsible for the integrity of the annual financial statements of the Company, consolidated subsidiaries, associates and the objectivity of their information presented in the annual report.

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

Management and employees operate in terms of UACN Code of Business Conduct. 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 consolidated and separate financial statements, prepared in line with International Financial Reporting Standards (IFRS), Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of Companies and Allied Matters Act, CAP C20, LFN 2004 are examined by our auditors in conformity with International Standards on Auditing.

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

Adeniun Folasade Taiwo
Finance Director
FRC/2013/1CAN/0000000723

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

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of UACN Property Development Company Pie and its subsidiaries (the group), which comprise the consolidated and separate statement of financial position as at 31 December 2016, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the UACN Property Development Company Pie and its subsidiaries as at 31 December 2016, and its consolidated and separate financial performance and consolidated and separate 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 the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of UACN Property Development Company Pie and its subsidiaries. We have fulfilled our other ethical responsibilities in accordance with the I ESBA Code, and in accordance with other ethical requirements applicable to performing the audit of UACN Property Development Company Pie and its subsidiaries. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of intercompany receivables (Separate financial statements only) The company has significant intercompany receivables from its related parties amounting to N19.9 billion of which N14 billion relates to a receivable from a subsidiary, UPDC Hotels Limited, which has been outstanding for a number of years. An impairment loss of N1.2 billion was recognised against the intercompany receivable from related parties in the current year, of which N508 million relates to balance outstanding from this subsidiary. An impairment assessment performed using the Subsidiary's net assets led to the recognition of impairment loss on the subsidiary. Property, Plant and Equipment (PPE) makes up a significant part of this subsidiary's assets, and require external experts in its valuation. We consider this a key audit matter due to the significance of the amount and the fact that the impairment assessment prepared on the basis of Net assets with fair valuation of PPE involves management judgement on the amount to be recovered. The disclosure of the impairment of the receivable from UHL is set out in Note 9 Impairment of Investments & receivable in UPDC Metro (JV) and UHL.	Our audit procedures include, amongst other, the following: • Our internal valuation expert evaluated the assumptions made by management on the recoverability of the related party receivables; • We obtained confirmations from all related parties and compare this to the Company's records; • For the subsidiary, we focused on the valuation of the Net assets in that subsidiary since this was used for determining the recoverable amount. We compared the Property, Plant and Equipment valuation received from management's external valuation expert to the amounts used in the calculation of recoverable amount. We involved our internal valuation experts in the assessment of the assumptions used by management's external valuation experts. We also evaluated the assumptions used by the internal valuation expert to determine whether they were reasonable. We focused on the assumptions that had the largest effect on the PPE valuation. This included the occupancy rate, property dimensions and the functional condition of the properties; and • We also assessed the adequacy of the disclosures regarding the impairment of intercompany receivables to determine whether they were in accordance with IFRS.

Key Audit Matter	How the matter was addressed in the audit
Significant inventory write downs (Consolidated and Separate financial statements) During the year, the Company's inventory (being the assets under construction) was written down by N1.7 billion to its net realisable value following the review of all ongoing projects against the expected selling price. The net realisable value has been estimated using the comparison between the Capital expenditure Memorandums prepared for each project at the inception of the project with cost incurred to date and additional cost to complete each project. The determination of these costs requires the use of management's judgement, the use of estimates submitted by experts, estimations of inflation rates affecting prices of construction materials as well as estimations of the impact of exchange rates in sourcing materials necessary to complete the project. The disclosure of the impairment of the inventory is set out in Note 6(i) Other losses	Our audit procedures include, amongst other, the following: • We compared the carrying value of inventory (Assets under construction) with the recoverable amount to ensure that these assets are carried at the lower of cost and Net realisable value. • We critically evaluate the calculations performed by management's internal and external experts (being the Engineers and Quantity surveyors involved on the projects) to assess their reasonableness. We use our understanding of similar projects and the industry, and our evaluation of any costs that have already been contracted for, to make this assessment. • We compared estimates made by the experts on projects completed in prior periods to the actuals achieved for these projects to determine whether the estimates were reasonable in the past. • We evaluated the level of competencies and expertise of the internal and external experts used to determine whether they are fit for purpose. • We recalculated the expected cash to be generated taking into consideration inflation rate, time value of money and other cost to be incurred to sell. • We also assessed the adequacy of the disclosures regarding the project losses in the consolidated and separate financial statements to determine they were in accordance with IFRS.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, and Report of the Audit Committee as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 the 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 .

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group and the company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group and the company audit. We remain solely responsible for our audit opinion.

- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes of our audit;

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

iii. the Group and the company'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

31 March 2017

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, 2016 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, 2016 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 27th day of March, 2017

Mr. Adekunle Awojobi FRC/2013/ICAN/00000002442
Chairman - Audit Committee

Members of the Committee

Mr. Adekunle O. Awojobi	-	Chairman
Mr. Joe O. Anosike	-	Member
Architect (Mrs.) Halima T Alao	-	Member
Alhaji Gbadebo Olatokunbo	-	Member
Prof. Okon A. Ansa	-	Member
Engr. Taiwo G. Fawole	-	Member

Secretary
Godwin A Samuel, Esq.,

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		The Group		The Company	
	Notes	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Revenue	5	6,344,822	5,113,887	4,994,113	3,738,326
Cost of sales	7	(5,188,460)	(3,594,547)	(3,943,422)	(2,519,952)
Gross profit		**1,156,362**	**1,519,340**	**1,050,692**	**1,218,374**
Fair value gains on investment properties	15	1,508,970	252,678	1,508,970	252,678
Gain/ (Loss) on disposal of investment properties	15	732,372	(57,365)	732,372	(57,365)
Selling and distribution expenses	7	(130,857)	(107,160)	(15,326)	(16,241)
Administrative expenses	7	(1,822,384)	(1,378,742)	(1,256,626)	(768,063)
Other operating income	6	326,827	575,283	1,359,028	1,719,625
Other Losses	6 (i)	(1,695,579)	-	(1,695,579)	-
Operating profit		75,711	804,035	1,683,530	2,349,009
Finance income	8	624,993	607,981	624,993	607,981
Finance cost	8	(2,825,667)	(2,670,625)	(2,825,494)	(2,670,625)
Net finance cost		(2,200,674)	(2,062,644)	(2,200,501)	(2,062,644)
Share of profit of associate	16	1,160,660	1,787,461	-	-
Share of Loss of Joint Ventures	9	(70,913)	-	-	-
Operating (loss)/ profit before impairment		**(1,035,216)**	**528,851**	**(516,971)**	**286,364**
Impairment of UHL PPE & investment	9	-	(473,000)	-	(2,082,500)
Impairment of investment & receivable in UPDC Metro (JV) and UHL	9	(747,907)	-	(1,499,803)	-
(Loss)/ Profit before taxation		**(1,783,124)**	**55,851**	**(2,016,774)**	**(1,796,136)**
Income Tax Credit	10	233,069	324,926	233,069	324,926
(Loss)/ Profit for the year		(1,550,055)	380,778	(1,783,705)	(1,471,209)
(Loss)/ Profit attributable to:					
Equity holders of the parent		(1,520,771)	421,767	(1,783,705)	(1,471,209)
Non-controlling interest		(29,284)	(40,990)	-	-
(Loss)/ profit for the year		(1,550,055)	380,778	(1,783,705)	(1,471,209)
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/ income		(1,550,055)	380,778	(1,783,705)	(1,471,209)
Total comprehensive (loss)/ income attributable to:					
Equity holders of the parent		(1,520,771)	421,767	(1,783,705)	(1,471,209)
Non-controlling interests		(29,284)	(40,990)	-	-
Total comprehensive (loss)/ income		(1,550,055)	380,778	(1,783,705)	(1,471,209)
Basic EPS (Kobo)	12	(88)	25	(104)	(86)
Diluted EPS (Kobo)	12	(88)	25	(104)	(86)

The summary of significant accounting policies and notes on pages 42 to 108 are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		The Group		The Company	
	Notes	31 Dec 16 N'000	31 Dec 15 N'000	31 Dec 16 N'000	31 Dec 15 N'000
Assets					
Non-current assets					
Property, plant and equipment	13	12,246,244	12,630,875	87,304	104,606
Intangible assets	14	51,403	59,810	46,387	52,508
Investment properties	15	16,654,320	16,867,015	16,654,320	16,867,015
Investments in joint ventures	16	481,289	2,088,068	308,033	2,088,068
Investments in associate	16	19,214,990	19,109,799	16,489,153	16,489,153
Available-for-sale financial asset	17	10,000	10,000	10,000	10,000
Investments in subsidiaries	18	-	-	-	-
		48,658,246	50,765,567	33,595,197	35,611,350
Current assets					
Inventories	19	12,868,001	12,331,955	12,687,437	12,213,159
Trade and other receivables	21	9,288,379	8,762,140	22,924,011	22,887,336
Cash at bank and in hand	22	89,111	100,904	54,455	54,170
		22,245,490	21,195,000	35,665,904	35,154,665
Total assets		**70,903,735**	**71,960,567**	**69,261,100**	**70,766,016**
Liabilities					
Non-current liabilities					
Interest bearing Loans and Borrowings	23	4,000,000	6,399,240	4,000,000	6,399,240
Deferred taxation	25	72,537	483,229	72,537	483,229
Deferred revenue	29	4,600	15,751	4,600	15,751
		4,077,137	6,898,220	4,077,137	6,898,220
Current liabilities					
Trade and other payables	24	12,934,264	11,886,592	11,868,379	11,035,140
Current income tax liabilities	10	732,519	786,762	732,519	786,762
Interest bearing Loans and Borrowings	23	18,607,800	16,407,121	18,607,800	16,407,121
Dividend payable	26	307,767	166,334	307,767	166,334
Deferred revenue	29	220,136	241,370	220,136	241,370
		32,802,486	29,488,179	31,736,601	28,636,728
Total liabilities		**36,879,623**	**36,386,399**	**35,813,738**	**35,534,948**
Equity					
Issued Share capital	27 (a)	859,375	859,375	859,375	859,375
Share premium	27 (b)	3,943,273	3,943,273	3,943,273	3,943,273
Retained earnings		29,371,754	30,892,525	28,644,716	30,428,421
Equity attributable to equity holders of the Company		34,174,401	35,695,172	33,447,363	35,231,069
Non controlling interest		(150,287)	(121,003)	-	-
Total equity		**34,024,114**	**35,574,168**	**33,447,363**	**35,231,069**
Total equity and liabilities		**70,903,737**	**71,960,567**	**69,261,102**	**70,766,016**

The financial statements on page 38 to 41 were approved and authorised for issue by the board of directors on 28th March 2017 and were signed on its behalf by:

Larry E. Ettah	**Hakeem D. Ogunniran**	**Adeniun F. Taiwo**
FRC/2013/IODN/00000002692	FRC/2013/ICSAN/00000001723	FRC/2013/ICAN/0000000723

The summary of significant accounting policies and notes on pages 42 to 108 are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	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 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
Dividend paid	-	-	(859,375)	(859,375)	-	(859,375)
Other comprehensive income	-	-	-	-	-	-
Balance at 31 December 2015	**859,375**	**3,943,273**	**30,892,525**	**35,695,172**	**(121,003)**	**35,574,170**
Balance at 1 January 2016	859,375	3,943,273	30,892,525	35,695,172	(121,003)	35,574,169
Loss for the year	-	-	(1,520,771)	(1,520,771)	(29,284)	(1,550,055)
Other comprehensive income	-	-	-	-	-	-
Balance at 31 December 2016	**859,375**	**3,943,273**	**29,371,754**	**34,174,400**	**(150,287)**	**34,024,114**

	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 2015	859,375	3,943,273	32,759,005	37,561,653
Loss for the year	-	-	(1,471,209)	(1,471,209)
Dividend paid	-	-	(859,375)	(859,375)
Other comprehensive income	-	-	-	-
Balance at 31 December 2015	**859,375**	**3,943,273**	**30,428,421**	**35,231,068**
Balance at 1 January 2016	859,375	3,943,273	30,428,421	35,231,068
Loss for the year	-	-	(1,783,705)	(1,783,705)
Other comprehensive income	-	-	-	-
Balance at 31 December 2016	**859,375**	**3,943,273**	**28,644,716**	**33,447,362**

The summary of significant accounting policies and notes on pages 42 to 108 are an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	The Group		The Company	
	2016 Dec N'000	2015 Dec N'000	2016 Dec N'000	2015 Dec N'000
Net Cash flow (used in)/ generated from operating activities (Note 28)	(1,396,839)	4,133,970	(1,320,091)	4,135,301
Tax paid (Note 10)	(51,039)	(158,031)	(51,039)	(158,031)
VAT paid	(17,378)	(97,844)	(17,378)	(97,844)
Net Cash flow (used in)/ generated from operating activities	**(1,465,256)**	**3,878,094**	**(1,388,508)**	**3,879,426**
Cash flow from investing activities				
Proceeds from sale of investment property	2,782,422	184,000	2,782,422	184,000
Purchase of property, plant & equipment	(86,004)	(45,409)	(44,465)	(23,279)
Purchase of intangible asset	(3,306)	(40,848)	(3,306)	(40,309)
Proceeds from sale of property, plant and equipment	115,772	5,799	9,388	5,348
Purchase of investments properties	(15,539)	(53,593)	(15,539)	(53,593)
Investment in JV	-	(1,535,865)	-	(1,535,865)
Dividend from UPDC REIT	1,055,469	1,216,034	1,055,469	1,216,034
Interest received	624,993	607,981	624,993	607,981
Net cash flow from investing activities	**4,473,807**	**338,099**	**4,408,962**	**360,317**
Cash flow from financing activities				
Proceeds from borrowings	31,590,163	9,377,400	31,590,163	9,377,400
Repayment of borrowings	(31,491,797)	(10,210,781)	(31,491,797)	(10,210,781)
Dividend paid	-	(859,375)	-	(859,375)
Interest paid	(2,825,667)	(2,670,625)	(2,825,494)	(2,670,625)
Net cash flow used in financing activities	**(2,727,301)**	**(4,363,381)**	**(2,727,128)**	**(4,363,381)**
Net increase/ (decrease) in cash and cash equivalents	281,250	(147,188)	293,326	(123,638)
Net foreign exchange difference	3,885	8,801	3,885	6,236
Cash and cash equivalents at the beginning of the period	(1,148,517)	(1,010,130)	(1,195,250)	(1,077,850)
Cash and cash equivalents at the end of the period (Note 22)	**(863,382)**	**(1,148,517)**	**(898,038)**	**(1,195,250)**

The statement of accounting policies and the notes on pages 42 to 108 form an integral part of these financial statements

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

UACN 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 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 the company 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 Standards Board (IASB), 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. 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 and separate 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 2016. 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 applied for the first time in 2016, they did not have a material impact on the annual consolidated and separate financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

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.

Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

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

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 Business Combinations principles for business combination 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 if 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 applied prospectively. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and do not have any impact on the Group, given that it has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments 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 their separate financial statements have to apply that change retrospectively. These amendments do not have any impact on the Group's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements 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 the 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 is 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 need not 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 statements

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 is 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 is 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 is applied retrospectively. These amendments do not have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 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 do not 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 Consolidated Financial Statements. 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 Investments in Associates and Joint Ventures 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 are applied retrospectively and do not have any impact on the Group as the Group does not apply the consolidation exception.

2. Summary of significant accounting policies

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated and separate financial statements. None of these is expected to have a significant effect on the consolidated and separate financial statements, except the following set out below:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group plans to adopt the new standard on the required effective date. During 2016, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. Overall, the Group expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. The Group expects a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

(a) Classification and measurement

The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale with gains and losses recorded in OCI will be measured at fair value through profit or loss instead, which will increase volatility in recorded profit or loss. The AFS reserve currently presented as accumulated OCI will be reclassified to opening retained earnings. Debt securities are expected to be measured at fair value through OCI under IFRS 9 as the Group expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis.

The equity shares in non-listed companies are intended to be held for the foreseeable future. The Group expects to apply the option to present fair value changes in OCI, and, therefore, believes the application of IFRS 9 would not have a significant impact. If the Group were not to apply that option, the shares would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group expects that these will continue to be measured at amortised cost under IFRS 9. However, the Group will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group expects a significant impact on its equity due to unsecured nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of the impact.

(c) Hedge accounting

The Group does not expect any significant impact as it does not practice hedge accounting.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method. The Group is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments. The Group is yet to perform impact assessment to determine the impact of the standard.

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. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2
The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is assessing the potential effect of the amendments on its consolidated financial statements.

IFRS 16 Leases
IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.
IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2017, the Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements.

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 on 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. The group has assessed the nature of its joint arrangements and determined them to be both joint operations and 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.

The group accounts for joint operation by treating the operation as its own operations by recognising its assets, including its share of any assets held jointly, its liabilities, including its share of any liabilities held jointly, its revenue from the sale of the output by the joint operation, its share of revenue from the sale of the output by the joint operation, its expenses, including its share of any expenses incurred jointly.

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

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira (N), which is the parent and separate's functional 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 item of Statement of Financial Position presented are translated at the closing rate at the reporting date;
b) income and expenses for each Profit or Loss item 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:

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

Leasehold buildings	**Lease terms vary from 5 to 99 years**
Plant and Machineries	
a) Heavy	5 to 7 years
b) Light	3 to 5 years
Motor Vehicle	
a) Commercial	7 to 10 years
b) Passenger	4 to 5 years
Furniture and office Equipment	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 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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to accounting policy on Computer Software). All internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite. Intangible assets with finite lives are amortised over their useful lives and assessed for impairment when there is an indication that the asset may be impaired. The amortisation period and the method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively. Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment either individually or at the cash-generating level. The useful lives are also reviewed each period to determine whether the indefinite life assessment continues to be supportable. If not, the change in useful life assessment to a finite life is accounted for prospectively.

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, that is, 5 years or 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 valuer at least every three years.

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

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

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

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

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

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

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

Changes in the fair value of assets classified as fair value through profit or loss are recognised in profit or loss.

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

Interest on available-for-sale securities calculated using the effective interest method is recognised in the 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 calssified 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 reporting 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 employees 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.

2.23 Revenue recognition

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

Sales of goods are recognised when significant risks and rewards of ownership have been transferred to 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 the reporting period can be reliably measured; and
d) The total costs attributable to the project can be clearly identified and reliably measured so that actual costs incurred can be compared with prior estimates
e) Transfer of significant risk and reward of ownership to the buyer.
f) 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.

2.24 Leases

(a) The group company is a lessee

(i) Operating lease

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

(ii) Finance lease

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

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

(b) The group company is a lessor
(i) Operating lease
Refer to revenue recognition policy.

2.25 Dividend distribution

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

3. Financial risk management

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

The group has 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 year, hence its foreign exchange risk was limited to the amounts outstanding in its domiciliary accounts for both the company and the subsidiary (UPDC Hotels Ltd), 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:

	2016		
THE GROUP	**USD “000**	**GBP “000**	**Euro “000**
Financial assets			
Cash at bank and in hand	21	3	8
	21	**3**	**8**

	2015		
THE GROUP	**USD “000**	**GBP “000**	**Euro “000**
Financial assets			
Cash at bank and in hand	266	2	14
	266	**2**	**14**

	2016		
THE COMPANY	**USD “000**	**GBP “000**	**Euro “000**
Financial assets			
Cash at bank and in hand	14	-	5
	14	**-**	**5**

	2015		
THE COMPANY	**USD “000**	**GBP “000**	**Euro “000**
Financial assets			
Cash at bank and in hand	249	-	9
	249	**-**	**9**

	The Group		The Company	
	2016 N’000	**2015 N’000**	**2016 N’000**	**2015 N’000**
The total impact on profit and equity if Naira were to decrease by 1% across currencies would be as follows	99	568	61	514

Management considers a 1% shift in foreign currency exchange rate 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).

(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:

	2016			
		Interest bearing Balance (Naira)		
THE GROUP	**Weighted average Interest rate %**	**Variable rate N'000**	**Fixed rate N'000**	**Non-interest bearing N'000**
Financial assets				
Trade and other receivables		-	-	9,288,379
Cash at bank and in hand		-	-	89,111
		-	-	**9,377,490**
Financial liabilities				
Interest bearing loans and borrowings	11.7	21,655,307		-
Trade and other payables		-	-	12,934,264
Bank overdrafts	16.4	952,493	-	-
		22,607,800	**-**	**12,934,264**

	2015			
		Interest bearing Balance (Naira)		
THE GROUP	**Weighted average Interest rate %**	**Variable rate N'000**	**Fixed rate N'000**	**Non-interest bearing N'000**
Financial assets				
Trade and other receivables		-	-	8,762,141
Cash at bank and in hand		-	-	100,904
		-	-	**8,863,046**
Interest bearing loans and borrowings	14.80	21,556,941	-	-
Trade and other payables		-	-	11,886,592
Bank overdrafts	16.50	1,249,420	-	-
		22,806,361	**-**	**11,886,592**

	2016			
		Interest bearing Balance (Naira)		
THE COMPANY	**Weighted average Interest rate %**	**Variable rate N'000**	**Fixed rate N'000**	**Non-interest bearing N'000**
Financial assets				
Trade and other receivables		-	-	22,924,011
Cash at bank and in hand		-	-	54,455
		-	-	**22,978,466**
Financial liabilities				
Interest bearing loans and borrowings	11.7	21,655,307	-	-
Trade and other payables		-	-	11,868,379
Bank overdrafts	16.4	952,493	-	-
		22,607,800	**-**	**11,868,379**

	2015			
		Interest bearing Balance (Naira)		
THE COMPANY	**Weighted average Interest rate %**	**Variable rate N'000**	**Fixed rate N'000**	**Non-interest bearing N'000**
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	14.80	21,556,941	-	-
Trade and other payables		-	-	11,035,140
Bank overdrafts	16.50	1,249,420	-	-
		22,806,361	**-**	**11,035,140**

	The Group	
	2016 N'000	**2015 N'000**
A 3% increase in interest rates would have the following impact on profit and equity.	(678,234)	(684,191)
A 3% decrease in interest rates would have the following impact on profit and equity.	678,234	684,191

Management considers that a 2% shift in interest rate is reasonable as the interest rate has fluctuated by a maximum of 3% in 2016 (2015: 3.5%).

(b) Credit risk

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

Credit risk arises from cash 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

	2016			
THE GROUP	**Total gross amount N'000**	**Fully performing N'000**	**Past due but not impaired N'000**	**Impaired N'000**
Trade receivables	1,518,227	206,044	1,168,048	144,136
Receivable from group company	7,007,840	7,007,840	-	-
Other receivables	903,569	903,569	-	-
Advances to staff	2,878	2,878	-	-
Cash at bank and in hand	89,111	89,111	-	-
	9,521,625	**8,209,442**	**1,168,048**	**144,136**

	2015			
THE GROUP	**Total gross amount N'000**	**Fully performing N'000**	**Past due but not impaired N'000**	**Impaired N'000**
Trade receivables	2,042,570	418,161	1,452,392	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	-	-
	9,035,061	**7,410,652**	**1,452,392**	**172,017**

	2015			
THE COMPANY	**Total gross amount N'000**	**Fully performing N'000**	**Past due but not impaired N'000**	**Impaired N'000**
Trade receivables	1,846,418	206,997	1,479,563	159,857
Receivable from group company	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	-	-
	23,101,364	**21,461,943**	**1,479,563**	**159,857**

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

Counterparties without external credit ratings	GROUP		COMPANY	
Trade receivables	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Group 1	92,720	188,172	52,105	62,099
Group 2	61,813	125,448	69,473	82,799
Group 3	51,511	104,540	52,105	62,099
	206,044	**418,161**	**173,682**	**206,997**
Receivable from group company				
Group 1	7,007,840	6,096,373	7,007,840	20,475,212
	7,007,840	**6,096,373**	**7,007,840**	**20,475,212**

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	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Cash at bank and in hand				
AAA	89,111	100,904	54,455	54,170
	89,111	**100,904**	**54,455**	**54,170**

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

	GROUP		COMPANY	
Trade receivables	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Past due 30-60 days	350,414	436,788	350,414	436,788
Past due 60-90 days	817,633	1,015,604	817,633	1,042,775
	1,168,048	**1,452,392**	**14,914,249**	**1,479,563**

Details of the impaired assets are as follows:	The Group		The Company	
Trade receivables	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Past due 0-90 days	23,538	9,232	23,538	9,232
Past due 90-180 days	18,852	34,090	18,852	34,090
Past due > 180 days	86,117	128,695	86,117	116,535
	144,136	**172,017**	**128,507**	**159,857**

	The Group		The Company	
Receivables	2016 N'000	2015 N'000	2016 N'000	2015 N'000
At 1 January	172,017	208,071	159,858	195,644
Provision for receivables impairment	3,470	-	-	-
Unused amounts reversed	(31,351)	(36,054)	-31,351	-35,786
At 31 December	**144,136**	**172,017**	**128,507**	**159,858**

(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 2016	**Less than 3 months N’000**	**Between 3 months and 1 year N’000**	**Between 1 and 5 years N’000**	**Over 5 years N’000**
Interest bearing loans and borrowings	-	17,655,307	4,599,823	-
Trade and other payables	1,378,559	11,555,704	-	-
Bank overdrafts	-	952,493	-	-
	1,378,559	**30,163,505**	**4,599,823**	**-**

	The Group			
At 31 December 2015	**Less than 3 months N’000**	**Between 3 months and 1 year N’000**	**Between 1 and 5 years N’000**	**Over 5 years N’000**
Interest bearing loans and borrowings	-	15,157,701	6,899,240	-
Trade and other payables	1,512,773	10,373,819	-	-
Bank overdrafts	-	1,249,420	-	-
	1,512,773	**26,780,940**	**6,899,240**	**-**

	The Company			
At 31 December 2016	**Less than 3 months N’000**	**Between 3 months and 1 year N’000**	**Between 1 and 5 years N’000**	**Over 5 years N’000**
Interest bearing loans and borrowings	-	17,655,307	4,599,823	-
Trade and other payables	650,991	11,217,388	-	-
Bank overdrafts	-	952,493	-	-
	650,991	**29,825,188**	**4,599,823**	**-**

	The Company			
At 31 December 2015	**Less than 3 months N’000**	**Between 3 months and 1 year N’000**	**Between 1 and 5 years N’000**	**Over 5 years N’000**
Interest bearing loans and borrowings	-	15,157,701	6,899,240	-
Trade and other payables	1,512,773	9,522,367	-	-
Bank overdrafts	-	1,249,420	-	-
	1,512,773	**25,929,489**	**6,899,240**	**-**

3.2 Capital risk management

Capital includes share capital, share premium and other reserves attributable to equity holders.
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 position including non controlling interest.

No formal debt equity target has been established.

	2016 N'000	2015 N'000
Interest bearing debt	22,607,800	22,806,361
Total equity	34,174,401	35,695,172
Total capital	**56,782,202**	**58,501,533**
Gearing ratio	**0.66**	**0.64**

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 2016.

	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				16,654,320
Liabilities for which fair values are disclosed (Note23):				
Interest-bearing loans and borrowings				
FSDH Merchant Bank Ltd	4,167,005	-	4,167,005	-
Guaranty Trust Bank Plc	3,650,470	-	3,650,470	-

These valuations were done as at 31 December 2016, 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.

Significant unobservable valuation input:

Price per square metre N85

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 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
Liabilities for which fair values are disclosed (Note 23):				
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	-

The following table represents the groups' financial assets and liabilities that fair value is disclosed.

	The Group			
	2016		2015	
Assets	**Carrying Value N'000**	**Fair Value N'000**	**Carrying Value N'000**	**Fair Value N'000**
Trade receivables	1,374,092	1,374,092	1,870,553	1,870,553
Other receivables	7,914,287	7,914,287	6,891,587	6,891,587
Cash at bank and in hand	89,111	89,111	100,904	100,904
Liabilities				
Interest bearing loans and borrowings: Non current	4,000,000	4,599,823	6,399,240	6,899,240
Bank Overdrafts and current portions of interest bearing loans and borrowings	18,607,800	18,607,800	16,407,121	16,407,121
Trade Payables and other payables	12,934,264	12,934,264	11,886,592	11,886,592

	The Company			
	2016		2015	
Assets	**Carrying Value N'000**	**Fair Value N'000**	**Carrying Value N'000**	**Fair Value N'000**
Trade receivables	1,297,831	1,297,831	1,686,560	1,686,560
Other receivables	21,626,181	21,626,181	21,200,776	21,200,776
Cash at bank and in hand	54,455	54,455	54,170	54,170
Liabilities				
Interest bearing loans and borrowings: Non current	4,000,000	4,599,823	6,399,240	6,899,240
Bank Overdrafts and current portions of interest bearing loans and borrowings	18,607,800	18,607,800	16,407,121	16,407,121
Trade and other payables	11,868,379	11,868,379	11,035,140	11,035,140

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			
	2016			
Financial assets	**Fair value through profit or loss N'000**	**Available for sale N'000**	**Loans and receivables N'000**	**Other financial liabilities N'000**
Available for sale financial asset	-	10,000	-	-
Trade and other receivables	-	-	1,374,092	-
Cash at bank and in hand	-	-	89,111	-
Financial liabilities				
Interest bearing loans and borrowings: Non current	-	-	-	4,599,823
Interest bearing loans and borrowings: Current	-	-	-	17,655,307
Trade and other payables	-	-	-	12,934,264
Bank overdrafts	-	-	-	952,493

	The Group			
	2015			
Financial assets	**Fair value through profit or loss N'000**	**Available for sale N'000**	**Loans and receivables N'000**	**Other financial liabilities N'000**
Available for sale financial asset	-	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	-	-	-	15,157,701
Trade and other payables	-	-	-	11,886,592
Bank overdrafts	-	-	-	1,249,420

	The Company			
	2016			
Financial assets	**Fair value through profit or loss N'000**	**Available for sale N'000**	**Loans and receivables N'000**	**Other financial liabilities N'000**
Available for sale financial asset	-	10,000	-	-
Trade and other receivables	-	-	1,297,831	-
Cash at bank and in hand	-	-	54,455	-
Financial liabilities				
Long term borrowings	-	-	-	4,599,823
Current portion of long term borrowings	-	-	-	17,655,307
Trade and other payables	-	-	-	11,868,379
Bank overdrafts	-	-	-	952,493

	The Company			
	2015			
Financial assets	**Fair value through profit or loss N'000**	**Available for sale N'000**	**Loans and receivables N'000**	**Other financial liabilities N'000**
Available for sale financial asset	-	10,000	-	-
Trade and other receivables	-	-	1,686,560	-
Cash and short-term deposits	-	-	54,170	-
Financial liabilities				
Long term borrowings	-	-	-	6,899,240
Current portion of long term borrowings	-	-	-	15,157,701
Trade and other payables	-	-	-	11,035,140
Bank overdrafts	-	-	-	1,249,420

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	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
Freehold building	441,050	471,138	441,050	471,138
Leasehold building	16,213,270	16,395,877	16,213,270	16,395,877
Total investment properties	**16,654,320**	**16,867,015**	**16,654,320**	**16,867,015**

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. See Note 13 for further details.

c) Allowance for uncollectable account receivable

Trade receivable do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experience based on the fact and circumstances prevailing as at reporting date. In addition a large number of minor receivables is grouped into homogeneous groups and assessed for impairments collectively. Individual trade receivables are written off when management considers them to be uncollectable. See Note 21 for further details.

d) Impairment of investments in Joint Venture

Investment in Joint Ventures are stated at cost in the books of the company. However, where there is an objective evidence of impairment of this investment, the investment is written down to the recoverable amount. Evidence of impairment occurs where the Joint Venture incurs a loss and the company's share of loss exceeds its total investment in the Joint venture. See note 16.2 for details of write down in current year.

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 possession 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 the Company 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%.
The Company's stake in the REIT was 61.5% as at 31st December 2016 (2015: 61.5%)

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 the Company 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, sale 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 2016	**Property development, sales & management N'000**	**Hospitality services N'000**	**Total N'000**
Total revenue	4,994,113	1,354,947	6,349,060
Intergroup revenue	-	(4,238)	(4,238)
Revenue to third parties	4,994,113	1,350,709	6,344,822
Earnings /(loss) before interest and tax	1,683,530	(527,350)	75,711
Loss before tax	(2,016,774)	(552,523)	(1,783,124)
Net current assets/ (liabilities)	3,929,303	(14,624,183)	(10,556,995)
Property, plant and equipment	87,304	12,158,573	12,246,244

31 December 2015	**Property development, sales & management N'000**	**Hospitality services N'000**	**Total N'000**
Total revenue	3,738,326	1,382,606	5,120,932
Intergroup revenue	-	(7,045)	-7,045
Revenue to third parties	3,738,326	1,375,561	5,113,887
Earnings /(loss) before interest and tax	2,349,009	(300,392)	804,035
(Loss)/ Profit 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

Entity wide information

Analysis of revenue by category:	2016 N'000	2015 N'000
Sale of property stock	2,537,853	2,793,243
Rental income on investment property	542,960	512,691
Management fees and service charge surcharge	158,434	432,392
Share of James Pinnock sale of property stock	1,754,867	-
UACN Property Development Company Plc	4,994,113	3,738,326
UPDC Hotels Limited	1,350,709	1,375,561
	6,344,822	**5,113,887**

Analysis of revenue by geographical location:	2016 N'000	2015 N'000
Nigeria	6,344,822	5,120,932

6. Other operating income	The Group 2016 N'000	The Group 2015 N'000	The Company 2016 N'000	The Company 2015 N'000
Investment income	2,700	2,700	27,700	2,700
Income Distribution received from UPDC REIT	-	-	1,055,469	1,216,034
Infrastructure, transfer and title regularisation fees	67,382	38,892	67,382	38,892
Service charge received from Golden Tulip Hotel	12,175	26,986	12,175	26,986
Sales commission received	60,826	135,802	60,826	135,802
Gain on disposal of PPE	-	4,223	-	4,563
Exchange Gain	3,885	8,801	3,885	6,238
Consumption tax recovered	48,268	69,469	-	-
Sales commission on James Pinnock Place	-	234,536	-	234,536
ITF and other training refunds	5,296	2,175	5,296	2,175
Other income	96,383	-	96,383	-
Sundry Income	29,913	51,699	29,913	51,699
	326,827	**575,284**	**1,359,028**	**1,719,625**

6 (i) Other Losses	The Group 2016 N'000	The Group 2015 N'000	The Company 2016 N'000	The Company 2015 N'000
Losses on ongoing projects	1,695,579	-	1,695,579	-
	1,695,579	-	1,695,579	-

Losses on ongoing projects are losses emanating from the project accounts upon completion.

7. Expenses by nature

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Changes in inventories of finished goods and work in progress	4,399,170	2,786,175	3,817,016	2,236,866
Direct operating expenses for investment properties	64,058	114,132	64,058	114,132
Personnel expenses	759,491	878,376	416,257	491,223
Depreciation and amortization	365,759	369,455	60,984	53,375
Rents and Rates	23,676	22,838	23,676	22,838
Electricity & Power	412,228	273,918	2,121	2,673
Vehicles repairs, maintenance & fueling	20,997	33,756	8,484	24,828
Other repairs & maintenance	109,075	112,963	5,380	475
Legal expenses	20,158	22,616	20,158	22,616
Auditors' remuneration	24,950	24,506	19,950	19,256
Directors' emoluments	106,231	93,193	106,231	93,193
Information technology	86,647	77,539	61,020	65,870
Insurance	18,321	15,872	15,207	15,872
Marketing & communication	130,857	107,160	15,326	16,241
Back duty tax	450,288	-	450,288	-
Professional fees	133,712	127,555	117,364	105,303
Printing and stationery	10,751	19,066	9,991	17,898
Impairment provision reversed	(27,881)	(36,054)	(31,351)	(35,786)
Loss on disposal of PPE	821	-	821	-
UACN management fee	32,392	37,383	32,392	37,383
	7,141,700	**5,080,449**	**5,215,374**	**3,304,256**
Cost of sales	5,188,460	3,594,547	3,943,422	2,519,952
Selling and distribution expenses	130,857	107,160	15,326	16,241
Administrative expenses	1,822,384	1,378,742	1,256,626	768,063
	7,141,700	**5,080,449**	**5,215,374**	**3,304,256**

Cost of sales includes property, repairs and maintenance cost of N17.6 million (2015 N47.7 million)

	The Group		The Company	
Personnel expenses include:	**2016 N’000**	**2015 N’000**	**2016 N’000**	**2015 N’000**
Wages and salaries	699,762	790,816	376,437	432,462
Pension costs:				
Pension benefits	32,096	48,297	12,187	23,208
Gratuity scheme - defined contribution	27,633	39,263	27,633	35,553
	759,491	**878,376**	**416,257**	**491,223**

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	**2016 N’000**	**2015 N’000**	**2016 N’000**	**2015 N’000**
Management	467,935	569,037	348,679	403,177
Staff	291,556	309,338	67,578	88,046
Total	759,491	878,376	416,257	491,223

	The Group		The Company	
Numbers	**2016 Number**	**2015 Number**	**2016 Number**	**2015 Number**
Management	106	95	75	86
Staff	206	262	32	40
Total	**312**	**357**	**107**	**126**

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

	The Group		The Company	
	2016	2015	2016	2015
=N=				
300,001 - 400,000	2	8	2	8
400,001 - 500,000	38	49	8	4
500,001 - 600,000	21	20	5	4
600,001 - 700,000	31	30	5	15
700,001 - 800,000	30	33	7	10
800,001 - 900,000	45	43	8	6
900,001 - 1,000,000	19	35	7	9
1,000,001 - 2,000,000	74	78	30	29
2,000,001 - 3,000,000	26	33	18	24
3,000,001 - 4,000,000	9	9	6	5
4,000,001 - 5,000,000	8	11	5	7
5,000,001 - 6,000,000	4	4	3	3
6,000,001 - 7,000,000	3	2	1	-
7,000,001 - 8,000,000	-	1	-	1
8,000,001 - 9,000,000	1	-	1	-
9,000,001 - 10,000,000	1	1	1	1
	312	**357**	**107**	**126**

	The Group		The Company	
(iii) Emoluments of directors	**2016 N’000**	**2015 N’000**	**2016 N’000**	**2015 N’000**
Fees	1,300	1,300	1,300	1,300
Other emoluments	104,931	91,893	104,931	91,893
	106,231	**93,193**	**106,231**	**93,193**
(iv) The Chairman’s emolument.	300	300	300	300
(v) Emolument of the highest paid director.	26,440	24,808	26,440	24,808

(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	2016 N’000	2015 N’000	2016 N’000	2015 N’000
Short term benefit	95,943	86,600	95,943	86,600

Post employment benefits	9,191	8,660	9,191	8,660
	105,134	**95,260**	**105,134**	**95,260**

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

=N=	**2016 Number**	**2015 Number**	**2016 Number**	**2015 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**

	The Group		**The Company**	
8. Net finance income/(cost)	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Interest income	624,993	607,981	624,993	607,981
Finance Income	**624,993**	**607,981**	**624,993**	**607,981**
Interest payable on bank loans	2,644,387	2,218,627	2,644,387	2,218,627
Interest payable on bank overdrafts	181,281	451,999	181,107	451,999
Finance costs	**2,825,667**	**2,670,625**	**2,825,494**	**2,670,625**
Net finance cost	**2,200,674**	**2,062,644**	**2,200,501**	**2,062,644**

9. Impairment of Investments, PPE and Receivables

	The Group		**The Company**	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
UHL Investment	-	-	-	2,082,500
UHL PPE	-	473,000	-	-
Investment in UPDC Metro City Ltd		-	244,169	-
Receivable in UPDC Metro City Ltd	747,907	-	747,907	
Receivable in UPDC Hotels Ltd	-	-	507,727	-
	747,907	473,000	1,499,803	2,082,500

Impairment of receivable in UPDC Metro City Ltd and UPDC Hotels Ltd

UPDC Metro City Ltd and UPDC Hotel Ltd's receivable in the books is impaired after consideration for future recoverable balances.

	The Group		The Company	
9i Share of Profit or Loss in JV	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Share of Loss in UPDC MetroCity Ltd (Note 16)	(244,169)	-	-	-
Share of Profit in First Festival Mall Ltd (Note 16)	173,256		-	-
	(70,913)			

The Group's share of loss in UPDC Metro City Ltd for the year exceeded the investment in the Joint Venture of N244.2 million. In line with IAS 28, the investment is deemed to be impaired and is written down to nil value.

10. Taxation

	The Group		The Company	
Current tax	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Minimum tax charge for the year	176,214	180,827	176,214	180,827
Capital Gain tax	1,409	51,039	1,409	51,039
Total current tax charge	**177,623**	**231,866**	**177,623**	**231,866**
Deferred tax				
Temporary differences, origination and reversal	(410,692)	(556,793)	(410,692)	(556,793)
Total deferred tax (note 25)	**(410,692)**	**(556,793)**	**(410,692)**	**(556,793)**
Income tax charge/ (credit)	**(233,069)**	**(324,926)**	**(233,069)**	**(324,926)**

Nigeria corporation tax is calculated at 30% (2015: 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 income statement as follows:

	The Group		The Company	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
(Loss)/Profit before tax	(1,783,124)	55,851	(2,016,774)	(1,796,136)
Tax at the Nigeria corporation tax rate of 30% (2015: 30%)	(534,937)	16,755	(605,032)	(538,841)
Tertiary Education tax	-	-	-	-
Capital gains tax	1,409	51,039	1,409	51,039
Effect of income that is exempt from taxation	(3,406,406)	(1,078,852)	(3,336,311)	(523,257)
Effect of expenses that are not deductible in determining taxable profit	3,530,652	505,305	3,530,652	505,305
Minimum tax adjustments	176,214	180,828	176,214	180,828
Tax credit for the year	**(233,069)**	**(324,926)**	**(233,068)**	**(324,926)**

	The Group		The Company	
Per statement of financial position	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Balance as at 1 January	786,762	712,927	786,762	712,927
Charge for the year	177,623	231,866	177,623	231,866
Payments during the year	(51,039)	(158,031)	(51,039)	(158,031)
Withholding tax utilized	(180,828)	-	(180,828)	-
Balance as at 31 December	**732,519**	**786,762**	**732,519**	**786,762**

11. Dividends

	The Group		The Company	
Amounts recognised as distributions to ordinary shareholders in the year comprise:	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
No dividend was declared for the year ended December 2015, hence no dividend was paid in 2016.	-	(859,375)	-	(859,375)

12. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
Profit/ (Loss) attributable to ordinary equity shareholders (NGN '000)	(1,520,771)	421,767	(1,783,705)	(1,471,209)
Basic earnings per share (Kobo)	**(88)**	**25**	**(104)**	**(86)**
Diluted earnings per share (Kobo)	**(88)**	**25**	**(104)**	**(86)**
	Number	**Number**	**Number**	**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 N'000**	**Total N'000**
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
Write off as low value asset	-	-	-	-	-	-	-
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**
At 1 January 2016	14,501,790	305,793	871,537	1,512,948	126,601	2,604	17,321,273
Reclassification	-	-	2,604	-	-	(2,604)	-
Additions	13,348	26,350	38,856	2,005	5,445	-	86,004
Disposals	-	(77,045)	(102,236)	-	(867)		(180,147)
At 31 December 2016	**14,515,138**	**255,098**	**810,762**	**1,514,953**	**131,179**	**-**	**17,227,129**

Accumulated depreciation and impairment

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**
At 1 January 2016	2,291,562	220,761	789,515	1,276,039	113,522	-	4,691,398
Charge for the year	274,299	40,651	14,330	18,352	6,413	-	354,046
Disposals		(63,758)	-	-	(800)	-	(64,558)
At 31 December 2016	**2,565,861**	**197,654**	**803,845**	**1,294,391**	**119,135**	**-**	**4,980,886**

Net book values

At 31 December 2016	**11,949,277**	**57,444**	**6,917**	**220,561**	**12,044**	**-**	**12,246,244**
At 31 December 2015	**12,210,229**	**85,032**	**82,022**	**236,908**	**13,080**	**2,604**	**12,630,875**

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 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**
At 1 January 2016	230,141	113,868	55,835	58,068	457,913
Additions	26,350	13,129	1,900	3,086	44,465
Disposals	(73,900)	-	-	(867)	(74,767)
At 31 December 2016	**182,591**	**126,997**	**57,735**	**60,287**	**427,611**
Accumulated depreciation					
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**	**49,268**	**353,307**
At 1 January 2016	177,493	83,422	43,125	49,268	353,308
Charge for the year	31,321	11,707	4,176	4,355	51,559
Disposals	(63,758)	-	-	(800)	(64,558)
At 31 December 2016	**145,056**	**95,129**	**47,301**	**52,823**	**340,306**
Net book values					
At 31 December 2016	**37,536**	**31,868**	**10,434**	**7,464**	**87,304**
At 31 December 2015	52,649	30,446	12,711	8,801	104,606

No Property, Plant and Equipment was pledged as security for any liability as at 31st December 2016 (2015: Nil).

14. Intangible assets

Cost	**The Group Software N'000**	**The Company Software N'000**
At 1 January 2015	274,755	235,739
Additions	40,848	40,309
31 December 2015	**315,603**	**276,048**
At 1 January 2016	315,603	276,048
Additions	3,306	3,306
At 31 December 2016	**318,909**	**279,354**
Accumulated amortisation		
At 1 January 2015	244,402	214,934
Amortisation for the year	11,392	8,608
31 December 2015	**255,794**	**223,542**
At 1 January 2016	255,794	223,542
Amortisation for the year	11,713	9,425
At 31 December 2016	**267,507**	**232,967**
Net book values		
At 31 December 2016	**51,403**	**46,387**
At 31 December 2015	59,810	52,508

No intangible asset was pledged as security for any liability as at 31st December 2016 (2015: 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 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**
At 1 January 2016	471,138	16,395,877	16,867,015	471,138	16,395,877	16,867,015
Additions	-	15,539	15,539	-	15,539	15,539
Reclassification	(23,588)	23,588	-	(23,588)	23,588	-
Reclassification from property stocks held as inventories (Note 20)	-	312,845	312,845	-	312,845	312,845
Disposals	-	(2,050,050)	(2,050,050)	-	(2,050,050)	(2,050,050)
Net gain from fair value adjustments on investment properties	(6,500)	1,515,470	1,508,970	(6,500)	1,515,470	1,508,970
At 31 December 2016	**441,050**	**16,213,270**	**16,654,320**	**441,050**	**16,213,270**	**16,654,320**

	The Group		The Company	
Schedule of net gain/ (loss) on disposal	**2016**	**2015**	**2016**	**2015**
Sales Proceed	2,782,422	184,000	2,782,422	184,000
Carrying value of investment properties	(2,050,050)	(241,365)	(2,050,050)	(241,365)
	732,372	**(57,365)**	**732,372**	**(57,365)**

	The Group			The Company		
At 31 December 2016	**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	-	-	-	-	-	-
Level 3	441,050	16,213,270	16,654,320	441,050	16,213,270	16,654,320
	441,050	16,213,270	16,654,320	441,050	16,213,270	16,654,320

	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	-	-	-	-	-	-
Level 3	471,138	16,395,877	16,867,015	471,138	16,395,877	16,867,015
	471,138	16,395,877	16,867,015	471,138	16,395,877	16,867,015

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)

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.

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Rental income derived from investment properties	542,960	512,691	542,960	512,691
Direct operating expenses that generated the rental income	(64,058)	(114,132)	(64,058)	(114,132)
Direct operating expenses that did not generate rental income	-	-	-	-
Profit arising from investment properties	478,902	398,559	478,902	398,559

16. Investments in associate and joint ventures

The amounts recognised in the balance sheet are as follows:

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Associate	19,214,990	19,109,799	16,489,153	16,489,153
Joint ventures	481,289	2,088,068	308,033	2,088,068
	19,696,279	**21,197,867**	**16,797,186**	**18,577,221**

16.1 Investments in Associate

Set out below is the associate of the group as at 31 December 2016. 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	2016 N'000	2015 N'000	2016 % ownership	2015 % ownership	Measurement method
UPDC REIT	Nigeria	19,214,990	19,109,799	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 2016, 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	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
At 1 January	19,109,799	18,538,371	16,489,153	16,489,153
Share of profit	1,160,660	1,787,461	-	-
Dividend received	(1,055,469)	(1,216,034)	-	-
At 31 December	**19,214,990**	**19,109,799**	**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 at 31 December 2016. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit, after adjusting for revaluation gain on investment properties for the year ended December 2016.

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

	The Group		The Company	
16.2 Investments in Joint Ventures	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
UPDC Metro City Limited	-	244,170	-	244,170
First Festival Mall Limited	407,683	234,427	234,427	234,427
James Pinnock Place	-	1,535,865	-	1,535,865
Transit Village Dev. Co. Ltd	73,606	73,606	73,606	73,606
	481,289	**2,088,068**	**308,033**	**2,088,068**

James Pinnock was reclassified as Joint operation during the year as a result of modification to the arrangement. This had the accounting implication of recognising the company's interest in the assets, liabilities,revenue and expenses of the operation.

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

	The Group		The Company	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
At 1 January	2,088,068	2,088,068	2,088,068	2,088,068
Share of profit of First Festival Mall Limited	173,256	-	-	-
Impairment of investment in UPDC Metro City Limited	(244,170)	-	(244,170)	-
Derecognition of investment in James Pinnock	(1,535,865)	-	(1,535,865)	-
At 31 December	**481,289**	**2,088,068**	**308,033**	**2,088,068**

First Festival Mall reported a profit after tax of N385.0 million for the year ended December 2016. The share of the Group of this based on 45% share holding is N173.26 million.

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. Coy Limited	Olive Court	Nigeria	Joint venture	Equity	51%
Pinnacle Apartments Dev. Limited	Pinnacle Apartments	Nigeria	Joint venture	Equity	51%
Calabar Golf Estate Limited	Golf Estate	Nigeria	Joint venture	Equity	51%
UPDC Metro City Ltd	Metrocity	Nigeria	Joint venture	Equity	60%
Transit Village Dev. Company. Limited	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 in the separate financial statements.

* 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 for 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 2016							
First Festival Mall	11,811,778	728,097	10,518,184	1,116,196	242,937	905,962	407,683
First Restoration Dev. Coy Limited	-	787,492	950,331	162,516	8,317	(284,910)	-
Pinnacle Apartment Dev. Limited	-	2,243,746	-	1,868,482	162,918,013	375,264	-
Calabar Golf Estate Limited	-	1,199,684	-	1,325,837	-	(126,153)	-
UPDC Metro City Ltd	1,867,664	1,771,587	2,306,044	3,315,759	-	*(1,982,551)	-
UPDC REIT	23,573,230	8,809,531	-	1,138,875	7,307	31,243,886	19,214,990

Name	Revenue	Depreciation	Interest Income	Interest Expense	Tax Expense	Profit/ (Loss)
31 December 2016						
First Festival Mall	645,864	24,026	-	960,744	161,272	385,013
First Restoration Dev. Coy Limited *	235,000	-	-	107,705	-	(164,717)
Pinnacle Apartments Dev. Limited *	1,199,750	-	-	247,647	-	(292,417)
Calabar Golf Estate Limited *	55,000	-	-	121,317	-	(127,153)
UPDC Metrocity Ltd	3,995,500	-	-	-	-	(2,389,500)
UPDC REIT	1,311,245	-	750,272	-	-	1,979,600

Name	Non Current Asset	Current Asset	Non-Current Liabilities	Current Liabilities	Cash & Cash Equivalent	Net Asset	Carrying value
1 January 2015							
First Festival Mall	8,545,169	357,850	2,952,049	5,430,020	184,702	520,950	234,427
First Restoration Dev. Coy Limited	1,456,070	53,758	305,325	1,204,503	53,758	533,994	-
Pinnacle Apartment Dev. Limited	3,315,484	113,951	650,000	2,779,436	113,951	904,230	-
Calabar Golf Estate Limited	1,293,112	-	775,000	518,112	-	777,329	-
James Pinnock	2,450,912	2,558,818	1,998,230	-		3,011,500	1,535,865
UPDC Metro City Ltd	9,648,564	21,087	2,306,044	6,956,658	21,087	406,949	244,170
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	-	-	-	347,061	-	-
First Restoration Dev. Coy Limited *	-	-	-	-	-	-
Pinnacle Apartments Dev. Limited *	-	-	-	-	-	-
Calabar Golf Estate Limited *	-	-	-	54,749.63	-	-
James Pinnock	-	-	43,218	-	-	-
UPDC Metrocity Ltd	-	-	-	59,976	-	-
UPDC REIT	1,513,467	-	1,137,811	-	-	2,711,345

Investments in associate and Joint Ventures are measured at cost in the separate financial statements.

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 31, 2016, 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) and First Festival Mall Ltd, 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	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 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.

Investments in unquoted equity is classified as Available for sale instrument and is carried at cost. The fair value cannot be determined as the company is not listed in an active market and there are no reliable data or input to calculate the fair value. Management do not intend to dispose of the investment in the foreseeable future.

18. Investments in subsidiaries

Principal investments	2016 N'000	2015 N'000	2016 % ownership	2015 % ownership
UPDC Hotels Limited				
2,082,500,000 Shares of =N=1.00 each	2,082,500	2,082,500	94.70	94.70
Manor Gardens				
53,810,000 Ordinary Shares of =N=1.00 each	53,810	53,810	67.50	67.50
	2,136,310	2,136,310		
Impairment of investments	(2,136,310)	(2,136,310)		
	-	-		

Investments in subsidiaries are measured at cost.

19. Inventories

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Consumption stocks and spares	135,867	128,510	-	-
Non trade stock	60,002	36,731	15,305	17,896
Properties under construction (Note 20)	12,672,132	12,166,714	12,672,132	12,195,263
	12,868,001	**12,331,955**	**12,687,437**	**12,213,159**

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

20. Properties under construction

	The Group		The Company	
Cost/Valuation	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Balance 1 January	12,166,714	9,489,183	12,195,263	9,742,222
Additions	5,021,016	5,896,842	5,021,016	5,896,842
Reclassification as investment properties (Note 15)	(368,732)	(260,000)	(368,732)	(260,000)
Disposals	(2,346,900)	(3,178,378)	(2,346,900)	(3,178,378)
Other Losses from completed projects	(1,695,579)	-	(1,695,579)	-
Provision for Manor Gardens	(132,936)	-	(132,936)	-
Provision for Maitama Land	-	(5,423)	-	(5,423)
Unrealised gain on transfer of asset	28,548	224,490	-	-
Balance 31 December	**12,672,132**	**12,166,714**	**12,672,132**	**12,195,263**

21. Trade and other receivables

	The Group		The Company	
Receivables due within one year	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Trade receivables	1,518,227	2,042,570	1,426,338	1,846,418
Less: provision for impairment of trade receivables	(144,136)	(172,017)	(128,507)	(159,857)
Net trade receivables	1,374,092	1,870,553	1,297,831	1,686,560
Receivables from related companies (Note 30)	7,007,840	6,096,373	20,797,941	20,467,712
Other receivables	903,569	786,233	825,361	724,082
Advances to staff	2,878	8,982	2,878	8,982
	9,288,379	**8,762,141**	**22,924,011**	**22,887,336**
Analysis of other receivables				
Sundry debit balances	630,384	120,954	630,384	120,954
Mobilization payment to contractors	87,345	533,270	87,345	533,270
Prepayments and accrual	185,840	132,008	107,632	69,857
	903,569	**786,233**	**825,361**	**724,082**

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

	The Group		The Company	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
At 1 January	172,017	208,071	159,857	195,644
Provision for receivables impairment	3,470	-	-	-
Unused amounts reversed	(31,351)	(36,054)	(31,351)	(35,786)
At 31 December	**144,136**	**172,017**	**128,507**	**159,857**

22. Cash and cash equivalents

	The Group		The Company	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
Cash at bank and in hand	89,111	100,904	54,455	54,170
Less: bank overdrafts (included in borrowings, Note 23)	(952,493)	(1,249,420)	(952,493)	(1,249,420)
Cash and cash equivalents	**(863,382)**	**(1,148,516)**	**(898,038)**	**(1,195,250)**

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	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Current borrowings				
Overdrafts due within one year	952,493	1,249,420	952,493	1,249,420
Commercial papers (ii)	15,321,974	12,932,861	15,321,974	12,932,861
Loans due within one year (i)	2,333,333	2,224,840	2,333,333	2,224,840
	18,607,800	**16,407,121**	**18,607,800**	**16,407,121**
Non-current borrowings				
Loans due after one year (i)	4,000,000	6,399,240	4,000,000	6,399,240
	4,000,000	**6,399,240**	**4,000,000**	**6,399,240**
Total borrowings	**22,607,800**	**22,806,361**	**22,607,800**	**22,806,361**

(i) Loans

Company **Details of the loan maturities are as follows:**	**Amount due 2016 N'000**	**Tenor**	**Repayment terms**	**Security**
FSDH Merchant Bank Ltd	3,333,333	29 months	Quarterly	Equitable mortgage
Guaranty Trust Bank Plc	3,000,000	32 months	Quarterly	Equitable mortgage
	6,333,333			

* The average interest rate for facilities from local banks during the period was 15.2 % (2015: 16.6%)
* The loans from the two banks was priced at average 90 days NIBOR plus 3%.
* All covenants attached to borrowings were complied with throughout the year.
* Total borrowing cost of N716 million (2015: N2.0 billion) have been capitalised into various projects (Property Under Construction in Inventory) using weighted average rate of 15.2%.

ii) Commercial papers

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
UBA Plc	-	7,432,861	-	7,432,861
FSDH Merchant Bank Limited	-	500,000	-	500,000
FBN Merchant Bank Limited	-	5,000,000	-	5,000,000
First Bank of Nigeria Limited	300,000	-	300,000	-
Commercial Paper	15,021,974	-	15,021,974	-
Total Commercial Papers	**15,321,974**	**12,932,861**	**15,321,974**	**12,932,861**

Of the N15 billion Commercial Paper outstanding as at year end, N9.06 billion was liquidity support provided by FBN Merchant Bank and Coronation Merchant Bank.

24. Trade and other payables

	The Group		The Company	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
Trade payables	1,603,952	2,717,133	1,337,747	2,775,256
Amounts owed to other related parties (Note 30)	9,703,624	6,967,167	9,706,270	6,967,167
	11,307,576	**9,684,300**	**11,044,017**	**9,742,424**
Provision for employee leave	8,114	16,992	8,114	16,992
Other payables	240,014	641,663	165,257	475,329
Accruals	1,378,559	1,543,636	650,991	800,395
Total	**12,934,264**	**11,886,592**	**11,868,379**	**11,035,140**

	The Group		The Company	
	2016 Days	**2015 Days**	**2016 Days**	**2015 Days**
Average credit period taken for trade purchases	153	99	116	99

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:	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
– Deferred tax liability to be recovered after more than 12 months	72,537	483,229	72,537	483,229
– Deferred tax liability to be recovered within 12 months	-	-	-	-
Deferred tax (liabilities) / assets	**72,537**	**483,229**	**72,537**	**483,229**

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

	The Group		The Company	
	2016 N'000	**2015 N'000**	**2016 N'000**	**2015 N'000**
At 1 January	483,229	1,040,022	483,229	1,040,022
Recognised in Profit or Loss	(410,692)	(556,793)	(410,692)	(556,793)
At 31 December	**72,537**	**483,229**	**72,537**	**483,229**

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 equip-ment N'000	Investment property N'000	Provisions N'000	Tax losses N'000	Capital gains to be reinvested	Exchange difference	Total N'000
At 1 January 2016	(91,026)	1,176,657	(96,895)	(506,914)	1,409	-	483,229
Charged/(credited) to the income statement	21,587	96,365	-	(644,691)	114,882	1,166	(410,692)
Charged/(credited) to other comprehensive income	-	-	-	-	-	-	-
At 31 December 2016	**(69,439)**	**1,273,022**	**(96,895)**	**(1,151,605)**	**116,291**	**1,166**	**72,537**

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	Exchange difference	Total N'000
At 1 January 2016	(91,026)	1,176,657	(96,895)	(506,914)	1,409	-	483,229
Charged/(credited) to the income statement	21,587	96,365	-	(644,691)	114,882	1,166	(410,692)
Charged/(credited) to other comprehensive income	-	-	-	-	-	-	-
At 31 December 2016	(69,439)	1,273,022	(96,895)	(1,151,605)	116,291	1,166	72,537

The Group/ The Company

At the balance sheet date, the Group has N3.84 billion unrelieved tax loss (2015:N1.69 billion) available for offset against future profits.

26. Dividend Payable

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
As at 1 January	166,334	-	166,334	-
Dividend declared	-	859,375	-	859,375
Dividend paid during the year	-	(859,375)	-	(859,375)
Unclaimed dividend fund received	141,433	166,334	141,433	166,334
	307,767	**166,334**	**307,767**	**166,334**

27 (a) Share capital

Group and Company

	2016		2015	
	Units '000	Amount N'000	Units '000	Amount N'000
Authorised:				
Ordinary shares of 50k each	3,500,000	1,750,000	3,500,000	1,750,000
Issued and fully paid:				
Ordinary shares of 50k each	1,718,750	859,375	1,718,750	859,375

27 (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 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.

27 (c) Retained Earnings

Retained Earnings represents accumulated profit over the years.

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

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Profit before tax	(1,783,124)	55,851	(2,016,774)	(1,796,136)
Adjustment for non cash items				
Depreciation	354,046	358,063	51,559	44,767
Write off of property, plant and equipment		-		
Impairment of property, plant and equipment and investment in subsidiary	-	473,413	-	2,082,500
Impairment of investment in UPDC MetroCity Ltd	-	-	244,170	-
Impairment of receivables	747,907	-	1,255,634	-
Losses on ongoing projects	1,695,579		1,695,579	
Amortization of intangible asset	11,713	11,392	9,425	8,608
Fair value gain on investment properties	(1,508,970)	(252,678)	(1,508,970)	(252,678)
(Gain)/ Loss on disposal of investment properties	(732,372)	57,365	(732,372)	57,365
(Profit)/ Loss on disposal of property, plant and equipment	821	(4,223)	821	(4,563)
Finance cost	2,825,667	2,670,625	2,825,494	2,670,625
Exchange (gain)/ Loss	(3,885)	(8,801)	(3,885)	(6,238)
Finance income	(624,993)	(607,981)	(624,993)	(607,981)
Rental recognised in the year	(542,960)	(512,691)	(542,960)	(512,691)
Dividend received from UPDC REIT	-	-	(1,055,469)	(1,216,034)
Share of loss of Joint Ventures	70,913	-	-	-
Share of profit of UPDC REIT	(1,160,660)	(1,787,461)	-	-
	(650,317)	452,874	(402,740)	467,544
Changes in working capital				
Decrease/ (Increase) in inventories	(1,008,606)	(2,925,602)	(946,838)	(2,715,536)
(increase)/ Decrease in receivables	(1,454,974)	440,989	(1,473,137)	913,826
Increase in payables	1,717,058	6,165,707	1,502,624	5,469,467
Cash generated from operations	(1,396,839)	4,133,970	(1,320,091)	4,135,301

29. Deferred revenue

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

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Within one year	220,136	241,370	220,136	241,370
Greater than one year	4,600	15,751	4,600	15,751
	224,735	**257,121**	**224,735**	**257,121**

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. The Group and Company has no contingent rent nor significant leasing arrangement.

Movement in the deferred revenue is as follows:

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Opening balance	257,121	258,686	257,121	258,686
Rental received in the year	510,574	511,126	510,574	511,126
Less amount released to Profit or Loss	(542,960)	(512,691)	(542,960)	(512,691)
Balance carried forward	**224,735**	**257,121**	**224,735**	**257,121**

30. 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

	Relationship	Nature of transaction	The Group 2016 N'000	The Group 2015 N'000	The Company 2016 N'000	The Company 2015 N'000
UAC of Nigeria Plc	Parent	Property rental, use of Golden Tulip Festac and fee on management of facilities	91,799	112,094	81,881	101,116
UAC Foods Limited	Fellow Subsidiary		-	195	-	-
Portland Paints & Products Nig. Plc.	Fellow Subsidiary		434	458	-	-
UAC Restaurants Limited	Fellow Subsidiary		28,805	11,557	27,596	11,557
Chemical & Allied Products Plc	Fellow Subsidiary		4,508	-	-	-
MDS Logistics Limited	Fellow Subsidiary		21,030	21,115	17,045	10,475
Unico CPFA Limited	Fellow Subsidiary		1,068	3,977	1,068	3,977
Key management personnel			1,441	578	1,441	578

(b) Purchases of goods and services

			The Group		The Company	
	Relationship	Nature of transaction	2016 N'000	2015 N'000	2016 N'000	2015 N'000
UAC of Nigeria Plc	Parent	Management fee per service agreement with UAC and direct purchase of products from fellow subsidiaries	32,392	37,383	32,392	37,383
Portland Paints and Products Plc	Fellow Subsidiary		15,686	627	15,686	627
UAC Foods Limited	Fellow Subsidiary		-	18,007	-	18,007
Chemical & Allied Products Plc	Fellow Subsidiary		15,921	12,946	15,921	12,946
Warm Spring Waters Nig Limited	Fellow Subsidiary		900	620	900	620
Grand Cereals Limited	Fellow Subsidiary		-	29,108	-	29,108
UPDC Hotels Limited	Subsidiary		-	-	4,238	7,045

(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 4.

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

		The Group		The Company	
Receivables:		**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 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	1,141,850	1,588,547	1,141,850	1,588,547
UPDC Hotels Limited	Subsidiary	-	-	13,790,101	14,371,339
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	780,034	305,829	780,034	305,829
First Restoration Dev. Co. Limited	Joint Venture	646,006	161,557	646,006	161,557
Calabar Golf Estate Limited	Joint Venture	531,159	481,712	531,159	481,712
Pinnacle Apartment Development Limited	Joint Venture	302,456	230,496	302,456	230,496
MDS Logistics Limited	Fellow Subsidiary	-	26	-	26
Imani and Sons	JV Partner	696,660	593,675	696,660	593,675
Galaxy Mall Current Account	Joint Venture	70,809	1,138	70,809	1,138
UPDC REIT	Associate	5,437	2,778	5,437	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	25,065	7,470	25,065	7,470
Grand Cereals Limited	Fellow Subsidiary	96,316		96,316	
Other Affiliates	Fellow Subsidiary	-	793	-	793
		7,007,840	**6,096,373**	**20,797,941**	**20,467,712**

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 2years of operation.

		The Group		The Company	
Payables		**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
UAC of Nigeria Plc.	Parent Company	3,927,162	2,000,664	3,927,162	2,000,664
Chemical and Allied Products Plc	Fellow Subsidiary	6,705	-	6,705	-
UPDC REIT	Associate	14,610	6,922	14,610	6,922
MDS Logistics Limited	Fellow Subsidiary	1,279,830	1,018,166	1,279,830	1,018,166
James Pinnock current account	Joint Operation	3,949,143	2,537,514	3,949,143	2,537,514
Grand Cereals Limited	Fellow Subsidiary	-	1,368,000	-	1,368,000
Portland Paints and Products Plc	Fellow Subsidiary	662	13,240	662	13,240
UAC Foods Limited	Fellow Subsidiary	524,707	17,689	524,707	17,689
UAC Restaurants Limited	Fellow Subsidiary	765	-	765	-
Warm Spring Waters Nig. Ltd	Fellow Subsidiary	41	-	41	-
UPDC Hotels Limited	Subsidiary	-	-	2,646	-
Other affiliates	Fellow Subsidiary	-	4,972	-	4,972
		9,703,624	**6,967,167**	**9,706,270**	**6,967,167**

All trading balances will be settled in cash.
The related party transactions were carried out on commercial terms and conditions.

31. Capital commitments and contingent liabilities

	The Group		The Company	
Capital Commitments	**2016 N'000**	**2015 N'000**	**2016 N'000**	**2015 N'000**
Capital expenditure authorised	13,198,011	13,521,084	13,018,903	13,401,034
Capital expenditure authorised & contracted	5,125,865	6,036,430	5,084,326	6,014,303

Contingent liabilities

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

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

Judgment was delivered in June 2009 to the effect that there was indeed a contract between the FMWH and CCBL which the Ministry breached and that CCBL 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 suits 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 High Court and that the company is a bonafide purchaser of 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: N1.8 billion, forced sale: N1.2 billion, following which the directors wrote down the property to its forced sale value of N1.2 billion.

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

32. 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 N32.4 million (2015-N37.38 million). This does not include the sales of James Pinnock Place, the company's joint operation.

33. Comparatives

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

34. 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.

Statement of Value Added
For the year ended 31 December 2016

	The Group				The Company			
	2016 N'Million	**%**	**2015 N'Million**	**%**	**2016 N'Million**	**%**	**2015 N'Million**	**%**
Sale of properties, rents and services	**6,344.8**		5,113.9		**4,994.1**		3,738.3	
Bought in materials and services (All local)	**(4,177.3)**		(1,139.8)		**3,708.2**		2,319.4	
Value Added	**2,167.5**	**100.0**	3,974.1	100.0	**1,286.0**	**100.0**	1,418.9	100.0
Distribution:								
Employees	**759.5**	**35.0**	878.4	22	**416.3**	**32.37**	491.2	35
Company Taxes	**177.6**	**8.2**	231.9	6	**177.6**	**14**	231.9	16
Interest charges	**2,825.7**	**130.4**	2,670.6	67	**2,825.5**	**220**	2,670.6	188
Dividend	**-**	**-**	-	-	**-**	**-**	-	-
Depreciation	**365.4**	**16.9**	369.5	9	**61.0**	**5**	53.4	4
Transfer to non-controlling interests	**(29.3)**	**(1.4)**	(41.0)	(1)	**-**	**-**	-	-
Retained Profit/ (Loss)	**(1,520.8)**	**(70.2)**	421.8	11	**(1,783.7)**	**(139)**	(1,471.2)	(104)
Deferred tax	**(410.7)**	**(18.9)**	(557.0)	(14)	**(410.7)**	**(32)**	(557.0)	(39)
	2,167.5	**100.0**	3,974.1	100.0	**1,286.0**	**100.0**	1,418.9	100.0

Value added represents the additional wealth which the group has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creations of more wealth.

FIVE -YEAR FINANCIAL SUMMARY

Statement of financial position as at 31 December

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Liabilities					
Non-current liabilities	4,077,137	6,898,220	8,685,975	6,460,497	14,052,171
Current liabilities	32,802,486	29,488,179	23,348,880	26,664,943	26,059,945
Total liabilities	36,879,623	36,386,399	32,034,855	33,125,440	40,112,116
Ordinary share capital	859,375	859,375	859,375	687,500	687,500
Share premium	3,943,273	3,943,273	3,943,273	4,115,148	4,115,148
Revenue reserve	29,371,754	30,892,525	31,330,132	28,691,018	26,459,730
Shareholders' funds	34,174,401	35,695,172	36,132,780	33,493,666	31,262,378
Non-controlling interest	(150,287)	(121,003)	(80,013)	(67,393)	(15,875)
Total equity	34,024,115	35,574,169	36,052,767	33,426,273	31,246,503
Net equity and liabilities	**70,903,737**	**71,960,567**	**68,087,621**	**66,551,713**	**71,358,619**
PPE & Investment properties	28,951,966	29,557,700	29,988,381	30,292,328	47,787,488
Long term Investments	19,696,279	21,197,867	19,100,575	17,991,241	327,776
Current assets	22,245,490	21,195,000	18,998,665	18,268,144	23,243,356
Total assets	**70,893,735**	**71,950,567**	**66,551,713**	**66,551,713**	**71,358,619**
Comprehensive income					
Revenue	6,344,822	5,113,887	11,700,506	11,298,899	12,039,603
Profit before taxation	(1,783,124)	55,851	3,540,525	3,707,533	2,454,951
Taxation	233,069	324,926	48,552	(552,114)	(274,640)
Profit after taxation	(1,550,055)	380,778	3,589,077	3,155,419	2,180,310
Non-controlling Interest	(29,284)	(40,990)	(12,620)	(38,369)	(35,190)
Earnings per share for profit attributable to the equity holders of the group	(1,520,771)	421,767	3,601,697	3,193,788	2,215,500
Proposed dividend	-	-	(859,375)	(962,500)	(962,500)
Retained profit	(1,520,771)	421,767	2,742,322	2,231,288	1,253,000
Basic Earnings per share (kobo)	(88)	25	210	232	161
Dividend per share (kobo)	-	-	50	70	70
Net assets per share (Naira)	19.8	20.7	21.0	24.3	22.7

Note :

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

Analysis of shareholding

UPDC UNCLAIMED DIVIDENDS AS AT DECEMBER 31ST, 2016

S/N	DATE OF PAYMENT	DIVIDEND NUMBER	AMOUNT OF DIVIDEND DECLARED	TOTAL DIVIDEND PAID TO DATE	UNPAID DIVIDEND [UNCLAIMED DIVIDEND]-Returned to Company
1	31 May 2004	6	405,000,000.00	394,561,276.85	
2	23 May 2005	7	180,000,000.00	179,850,572.35	
3	29 May 2006	8	247,500,000.00	239,412,421.63	
4	29 May 2007	9	346,499,999.00	338,365,586.14	
5	13 May 2008	10	485,099,998.67	478,884,214.02	
6	12 May 2009	11	742,499,997.97	718,372,740.86	307,767,453.80
7	15 June 2010	12	494,999,998.68	485,357,856.27	
8	7 June 2011	13	680,624,998.02	669,676,906.42	
9	16 May 2012	14	804,375,000.00	798,651,442.60	
10	21 June 2013	15	866,249,997.48	851,453,496.91	
11	6 May 2014	16	1,058,303,561.06	905,664,476.76	
12	2 September 2015	17	859,374,997.50	796,544,343.81	

RANGE ANALYSIS AS AT 31-12-2016

"UAC of Nigeria Plc and FBN Trustees Limited with 46% and 8.65% respectively holdings are the only shareholders with 5% and above shares in the company as at 31st December, 2016."

Range		No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	- 5,000	21,347	76%	21,347	36,615,096	2%	36,615,096
5,001	- 10,000	3,182	11%	24,529	22,373,826	1%	58,988,922
10,001	- 50,000	2,710	10%	27,239	58,260,495	3%	117,249,417
50,001	- 100,000	458	2%	27,697	32,515,639	2%	149,765,056
100,001	- 500,000	315	1%	28,012	64,946,448	4%	214,711,504
500,001	- 1,000,000	46	0%	28,058	32,555,442	2%	247,266,946
1,000,001	- 10,000,000	53	0%	28,111	162,159,767	9%	409,426,713
10,000,001	- 500,000,000	12	0%	28,123	518,698,282	30%	928,124,995
500,000,001	- 1,000,000,000	1	0%	28,124	790,625,000	46%	1,718,749,995
Grand Total		**28,124**	**100%**		**1,718,749,995**	**100%**	

Shareholders' information

Share capital history

YEAR	BONUS ISSUE	UNITS	VALUE (N)
1999	Starting Capital	1,000,000,000	500,000,000
2004	1 for 10 bonus issue	1,100,000,000	550,000,000
2005 to 2009	None	1,100,000,000	550,000,000
2010	1 for 4 bonus issue	1,375,000,000	687,500,000
2011 to 2012	None	1,375,000,000	687,500,000
2013	1 for 4 bonus issue	1,718,749,995	859,375,000
2014 to 2016	None	1,715,749,995	859,375,000

Five- year share price history

YEAR	LAST TRADING DAY	CLOSING SHARE PRICE	Inc / (Dec) over preceding year
2012	December 31, 2012	11.00	(8%)
2013	December 31, 2013	19.00	73%
2014	December 31, 2014	9.50	(50%)
2015	December 31, 2015	6.09	(36%)
2016	December 31, 2016	2.62	(57%)

Five-year dividend history

Dividend Number	Reporting Period	Closure Date	Dividend per Share	Dividend Total (N)
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	859,374,998
Nil	2015 Accounting Year	Not Applicable	nil	nil

Africa Prudential Registrars Plc
RC NO: 649007

e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

* = **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:

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

DISCLAIMER

"In no event shall Africa Prudential Registrars be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE	A/C No.
1. AFRICA PRUDENTIAL REGISTRARS PLC	☐
2. ABBEY MORTGAGE BANK PLC	☐
3. AFRILAND PROPERTIES PLC	☐
4. ALUMACO PLC	☐
5. A & G INSURANCE 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. CWG PLC	☐
17. CORDROS MONEY MARKET FUND	☐
18. EBONYI STATE GOVERNMENT BOND	☐
19. GOLDEN CAPITAL PLC	☐
20. INFINITY TRUST MORTGAGE BANK PLC	☐
21. INTERNATIONAL BREWERIES PLC	☐
22. INVESTMENT & ALLIED ASSURANCE PLC	☐
23. JAIZ BANK PLC	☐
24. KADUNA STATE GOVERNMENT BOND	☐
25. LAGOS BUILDING INVESTMENT CO. PLC	☐
26. MED-VIEW AIRLINE PLC	☐
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*	☐
28. NEXANS KABLEMETAL NIG. PLC	☐
29. OMOLUABI MORTGAGE BANK PLC	☐
30. PERSONAL TRUST & SAVINGS LTD	☐
31. P.S MANDRIDES PLC	☐
32. PORTLAND PAINTS & PRODUCTS NIG. PLC	☐
33. PREMIER BREWERIES PLC	☐
34. RESORT SAVINGS & LOANS PLC	☐
35. ROADS NIGERIA PLC	☐
36. SCOA NIGERIA PLC	☐
37. TRANSCORP HOTELS PLC	☐
38. TRANSCORP PLC	☐
39. TOWER BOND	☐
40. THE LA CASERA CORPORATE BOND	☐
41. UACN PLC	☐
42. UBA BALANCED FUND	☐
43. UBA BOND FUND	☐
44. UBA EQUITY FUND	☐
45. UBA MONEY MARKET FUND	☐
46. UNITED BANK FOR AFRICA PLC	☐
47. UNITED CAPITAL PLC	☐
48. UNIC INSURANCE PLC	☐
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	☐
50. UTC NIGERIA PLC	☐
51. WEST AFRICAN GLASS IND PLC	☐

OTHERS: ____________________

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Plot 137, Olu-Obasanjo Road (2nd Floor). Tel: 084-303457
E-MAIL: info@africaprudentialregistrars.com | WEBSITE: www.africaprudentialregistrars.com
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Affix Current Passport

Write your name at the back of your passport photograph

(to be stamped by your banker)

ONLY CLEARING BANKS ARE ACCEPTABLE

Africa Prudential Registrars Plc

RC NO: 649007

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Registrars Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: D D M M Y Y Y Y

SHAREHOLDER ACCOUNT INFORMATION

Surname/Company's Name | First Name | Other Name

Address

City | State | Country

Previous Address (if any)

Clearing House Number (CHN) (if any) C | Name of Stockbroking Firm

Mobile Telephone 1 | Mobile Telephone 2

E-mail Address

Signature: ____________ Signature: ____________

Joint/Company's Signatories

Company Seal *(if applicable)*

DISCLAIMER
"In no event shall Africa Prudential Registrars be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE	A/C No.
1. AFRICA PRUDENTIAL REGISTRARS PLC	
2. ABBEY MORTGAGE BANK PLC	
3. AFRILAND PROPERTIES PLC	
4. ALUMACO PLC	
5. A & G INSURANCE PLC	
6. A.R.M LIFE PLC	
7. ADAMAWA STATE GOVERNMENT BOND	
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33. PREMIER BREWERIES PLC	
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Africa Prudential Registrars Plc
RC NO: 649007

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ______________________________ ______________________________**"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES:

Surname *First Name* *Middle Name*

ADDRESS:

GSM NUMBER: **E-MAIL:**

CSCS INVESTOR'S A/C NO.: **CLEARING HOUSE NUMBER(CHN):** C

REGISTRAR'S ID NO (RIN):

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: **BANK:**

BANK A/C NUMBER: *Must be NUBAN* **BVN:** *Must be confirmed by bank* **AGE OF A/C:** *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*

Authorized Signature (2) *(and stamp of Stockbroker)*

Shareholder's Signature & Date

Shareholder's Signature & Date (2) *(if applicable)*

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request APR Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and APR Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or APR Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to APR Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ________ day of _______ 20______

Name:______________________________

Signature:___________________________

Joint (2) (if applicable): _______________

Joint (3) (if applicable): _______________

Company Seal

In the Presence of:

Name:______________________________**GSM NO:**______________________ **Signature:**____________________

Address: ____

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of______________________________Plc/Ltd, we hereby agree jointly and severally to keep the company and /or the Registrar or other persons acting on their behalf fully indemnified against all actions, proceedings, Liabilities, claims, losses, damages, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments , losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom.

Authorised Signatory (1):_____________________**Authorised Signatory (2):**_________________________

Company Seal

info@africaprudentialregistrars.com | Tel: +234 708 060 6400
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facebook.com/africaprudentialregistrarsplc twitter.com/APRPLC aprplc

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT HARCOURT: Plot 137, Olu-Obasanjo Road (2nd Floor), Port Harcourt, Rivers State. Tel: 084-303457

Africa Prudential Registrars Plc
RC NO: 649007

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER M F 5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH D D M M Y Y Y Y

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS *(if any)*

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE D D M M Y Y Y Y

19. BANK VERIFICATION NO. (BVN)

20. NAME OF STOCKBROKING FIRM

20. CSCS CLEARING HOUSE NO. (CHN) C

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

DISCLAIMER
"In no event shall Africa Prudential Registrars be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE	A/C No.
1. AFRICA PRUDENTIAL REGISTRARS PLC	
2. ABBEY MORTGAGE BANK PLC	
3. AFRILAND PROPERTIES PLC	
4. ALUMACO PLC	
5. A & G INSURANCE 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. CWG PLC	
17. CORDROS MONEY MARKET FUND	
18. EBONYI STATE GOVERNMENT BOND	
19. GOLDEN CAPITAL PLC	
20. INFINITY TRUST MORTGAGE BANK PLC	
21. INTERNATIONAL BREWERIES PLC	
22. INVESTMENT & ALLIED ASSURANCE PLC	
23. JAIZ BANK PLC	
24. KADUNA STATE GOVERNMENT BOND	
25. LAGOS BUILDING INVESTMENT CO. PLC	
26. MED-VIEW AIRLINE PLC	
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*	
28. NEXANS KABLEMETAL NIG. PLC	
29. OMOLUABI MORTGAGE BANK PLC	
30. PERSONAL TRUST & SAVINGS LTD	
31. P.S MANDRIDES PLC	
32. PORTLAND PAINTS & PRODUCTS NIG. PLC	
33. PREMIER BREWERIES PLC	
34. RESORT SAVINGS & LOANS PLC	
35. ROADS NIGERIA PLC	
36. SCOA NIGERIA PLC	
37. TRANSCORP HOTELS PLC	
38. TRANSCORP PLC	
39. TOWER BOND	
40. THE LA CASERA CORPORATE BOND	
41. UACN PLC	
42. UBA BALANCED FUND	
43. UBA BOND FUND	
44. UBA EQUITY FUND	
45. UBA MONEY MARKET FUND	
46. UNITED BANK FOR AFRICA PLC	
47. UNITED CAPITAL PLC	
48. UNIC INSURANCE PLC	
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	
50. UTC NIGERIA PLC	
51. WEST AFRICAN GLASS IND PLC	

OTHERS: ____________

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PROXY FORM

UACN PROPERTY DEVELOPMENT COMPANY PLC

19th Annual General Meeting to be held at 10.00 a.m. on Tuesday 23rd May, 2017 at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos

I/We

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 23rd May, 2017 and at every adjournment thereof

RESOLUTIONS	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS			
To re-elect Mr Larry Ettah as a Director			
To re-elect Mr. Adekunle O Awojobi as a Director			
To Authorize Directors to fix remuneration of the Auditors			
To elect members of the Audit Committee			
To fix the remuneration of Directors			
To renew the general mandate authorizing the Company to enter into recurrent transactions of trading nature with related parties or Companies.			

Please indicate your wish by placing '**X**' in the appropriate square

Put the **'X'** beside the motion before meeting and not any of the others

Signature of member/proxy ______________________________________

Date: ____

Dated this ____________________________ day of ___________________________ 2017.

Shareholder's signature ____

NOTES

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to attend by proxy. The above form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked*) the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. Please sign the above proxy form and post it so as to reach the address shown over leaf not later than 5.00 p.m. on Friday 19th May, 2017. If executed by a corporation, the proxy form should be sealed with the Common Seal or 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 48 hours before the time of holding the meeting.

ADMISSION FORM

UACN PROPERTY DEVELOPMENT COMPANY PLC

Annual General Meeting Admission Card

Please admit

to the Annual General Meeting of **UACN PROPERTY DEVELOPMENT COMPANY PLC** which will be held at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos on Tuesday 23rd May, 2017 at 10.00 a.m.

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

Annual General Meeting Admission Card

Name and Address of Shareholder

Signature of person attending

SHAREHOLDER ____________________

PROXY ____________________

SO'U

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Office Address:
UAC House
1 - 5 Odunlami Street,
P. O. Box 156, Lagos
Tel: +234 815 949 0821

Email: careline@updcplc.com
Website: www.updcplc.com