



# UNAUDITED ACCOUNTS FOR THE PERIOD ENDED 30TH JUNE 2016



# OUTLINE

STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE ACCOUNTS	5

UACN PROPERTY DEVELOPMENT COMPANY PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30TH JUNE 2016**

	Notes	The Group			
		3 months ended 30/06/16 N'000	6 months ended 30/06/16 N'000	3 months ended 30/06/15 N'000	6 months ended 30/06/15 N'000
Revenue	3	1,063,079	1,746,569	2,050,388	3,497,411
Cost of sales	5	(631,025)	(1,197,385)	(1,557,174)	(2,667,302)
<b>Gross profit</b>		432,054	549,184	493,214	830,109
Loss on disposal of investment properties		(30,000)	(29,000)	-	-
Selling and distribution expenses	5	(39,922)	(78,127)	(37,815)	(74,914)
Administrative expenses	5	(426,071)	(725,272)	(321,618)	(639,139)
Other operating income	4i	5,786	70,322	42,675	84,355
<b>Operating (loss)/ profit</b>		(58,153)	(212,893)	176,456	200,411
Finance income	6	159,377	285,206	118,175	243,168
Finance cost	6	(159,639)	(920,260)	(483,285)	(1,144,237)
Net finance cost		(261)	(635,054)	(365,110)	(901,069)
Share of profit of associates	4ii	305,949	970,191	465,890	1,205,325
<b>Operating profit</b>		<b>247,535</b>	<b>122,244</b>	<b>277,236</b>	<b>504,667</b>
Impairment of investment in UPDC Hotels **		-	-	-	-
<b>Profit before taxation</b>		<b>247,535</b>	<b>122,244</b>	<b>277,236</b>	<b>504,667</b>
Taxation	7	(85,512)	(87,970)	(43,374)	-
<b>Profit for the period</b>		<b>162,022</b>	<b>34,275</b>	<b>233,862</b>	<b>504,667</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		171,564	51,108	187,600	508,906
Non controlling interest		(9,541)	(16,833)	(3,543)	(4,239)
		162,022	34,275	184,057	504,667
Other Comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>162,022</b>	<b>34,275</b>	<b>233,862</b>	<b>504,667</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		171,564	51,108	187,600	508,906
Non controlling interests		(9,541)	(16,833)	(3,543)	(4,239)
		162,022	34,275	184,057	504,667
<b>Earnings per share for profit attributable to the equity holders of the group</b>		<b>171,564</b>	<b>51,108</b>	<b>187,600</b>	<b>508,906</b>
Basic EPS (Kobo)	8	10	3	11	30
Diluted EPS (Kobo)	8	10	3	11	30

\*\* For purpose of proper comparison, H1 2015 N2.08 billion impairment of the investment in UPDC Hotels Ltd has been updated to align with 2015 year end audit treatment.

The summary of significant accounting policies and notes on pages 5 to 15 are an integral part of these consolidated financial statements.

# UACN PROPERTY DEVELOPMENT COMPANY PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2016

	Notes	The Group	
		30 June 2016 N'ooo	31 Dec. 2015 N'ooo
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	12,419,964	12,630,875
Intangible assets	10	56,961	59,810
Investment properties	11	16,137,554	16,867,015
Investments in associates and joint ventures	12	21,197,867	21,197,867
Available-for-sale financial assets	13	10,000	10,000
		49,822,346	50,765,567
<b>Current assets</b>			
Inventories	14	13,580,479	12,331,955
Trade and other receivables	16	11,013,232	8,762,140
Cash at bank and in hand	17	108,392	100,904
		24,702,102	21,194,999
<b>Total assets</b>		<b>74,524,449</b>	<b>71,960,566</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing Loans and Borrowings	18	5,155,027	6,399,240
Deferred taxation liabilities		485,886	483,229
Deferred revenue	22	26,339	15,751
		5,667,252	6,898,220
<b>Current liabilities</b>			
Trade and other payables	19	13,053,428	11,886,591
Current income tax liabilities		823,693	786,762
Interest bearing Loans and Borrowings	18	18,871,010	16,407,121
Dividend Payable		307,767	166,334
Deferred revenue	20	192,855	241,370
		33,248,754	29,488,178
<b>Total liabilities</b>		<b>38,916,006</b>	<b>36,386,398</b>
<b>Equity</b>			
Share capital		859,375	859,375
Share premium		3,943,273	3,943,273
Retained earnings		30,943,633	30,892,525
<b>Equity attributable to equity holders of the Company</b>		<b>35,746,280</b>	<b>35,695,173</b>
<b>Non controlling interest</b>		<b>(137,836)</b>	<b>(121,003)</b>
<b>Total equity</b>		<b>35,608,443</b>	<b>35,574,169</b>
<b>Total equity and liabilities</b>		<b>74,524,450</b>	<b>71,960,566</b>

The summary of significant accounting policies and notes on pages 5 to 15 are an integral part of these financial statements.

UACN PROPERTY DEVELOPMENT COMPANY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 30TH JUNE 2016

	The Group				Non Controlling interest N'000	Total N'000
	Attributable to owners of the Company			TOTAL		
	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	TOTAL N'000		
Balance at 1 January 2016	859,375	3,943,273	30,892,525	35,695,173	(121,003)	35,574,170
Profit and loss			51,108	51,108	(16,833)	34,275
Other comprehensive income				-	-	-
Dividends			-	-	-	-
<b>Balance at 30 June 2016</b>	<b>859,375</b>	<b>3,943,273</b>	<b>30,943,633</b>	<b>35,746,281</b>	<b>(137,836)</b>	<b>35,608,445</b>

	The Group				Non Controlling interest N'000	Total N'000
	Attributable to owners of the Company			TOTAL		
	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	31,330,132	36,132,780	(80,013)	36,052,767
Profit and loss			508,906	508,906	(4,239)	504,667
Other comprehensive income				-	-	-
Dividends			-	-	-	-
<b>Balance at 30 June 2015</b>	<b>859,375</b>	<b>3,943,273</b>	<b>31,839,038</b>	<b>36,641,686</b>	<b>(84,252)</b>	<b>36,557,434</b>

**UACN PROPERTY DEVELOPMENT COMPANY PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
AS AT 30TH JUNE 2016**

	<b>The Group</b>	
	<b>2016</b>	<b>2015</b>
	June	Dec
	=N='000	=N='000
<b>Cash flow from operating activities (Note 21)</b>	<b>(1,252,714)</b>	<b>4,044,926</b>
Tax paid	(51,038)	(158,031)
<b>Net Cash inflow from operating activities</b>	<b>(1,303,752)</b>	<b>3,886,895</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investment property	716,000	184,000
Purchase of property, plant & equipment	(60,903)	(45,409)
Purchase of intangible asset	(4,837)	(40,848)
Proceeds from sale of property, plant and equipment	91,899	5,799
Purchase of investment properties	(15,539)	(53,593)
Investment in JV	-	(1,535,865)
Income Distribution from UPDC REIT	-	1,216,034
Interest received	285,206	607,981
<b>Net cash flow from investing activities</b>	<b>1,011,826</b>	<b>338,099</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	16,224,056	9,377,400
Repayment of borrowings	(14,526,553)	(10,210,781)
Dividend paid	-	(859,375)
Interest paid	(920,260)	(2,670,625)
<b>Net cash flow from financing activities</b>	<b>777,242</b>	<b>(4,363,381)</b>
Net increase/(decrease) in cash and cash equivalents	485,316	(138,387)
Cash and cash equivalents at the beginning of the period	(1,148,517)	(1,010,130)
Cash and cash equivalents at the end of the period (Note 17)	(663,200)	(1,148,517)

The statement of accounting policies and the notes on pages 5 to 15 form an integral part of these financial statements

**UACN PROPERTY DEVELOPMENT COMPANY PLC**  
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 30TH JUNE 2016**

---

**1. General information**

UAC Property Development Company Plc ('the Company') and its subsidiaries (together 'the Group') is a company incorporated in the 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**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with IAS 34. The financial statements have been prepared on a historical cost basis except for investment property, held for trading and available for sale financial instruments which are carried at fair value.

*(All amounts are in Naira thousands unless otherwise stated)*

**2.2 Accounting Policies**

The accounting policies adopted are consistent with those for the year ended 31 December 2015.

**2.3 Estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

**2.4 Financial Risk Management**

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

This interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the company's annual financial statements as at 31 December 2015. There have been no changes in the risk management structure since year end or in any risk management policy.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. Segment Analysis

The chief operating decision-maker has been identified as the Executive Committee (Exco). 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.

Nigeria is the Company's primary geographical segment as the operations of the Company are entirely carried out in Nigeria. As at June 30, 2016, UPDC Plc operations comprised two business segments namely: Property development, sales & management and Hospitality services.

**Property development, sales & management** - UACN Property Development Plc (UPDC) main business is the acquisition, development, sales and management of high quality serviced commercial and residual 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 UACN Property Development Company Plc. The hotel provides services such as sale of rooms, conference halls as well as food & beverages.

The following measures are reviewed by Exco:

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

	Property development sales & management N'000	Hospitality services N'000	Total N'000
<b>30-Jun-16</b>			
Total Revenue	1,191,727	554,842	1,746,569
Intergroup revenue	-	(2,358)	(2,358)
Revenue to third parties	1,191,727	552,484	1,744,211
Earnings before interest and tax	1,074,902	(317,603)	757,299
Profit before tax	439,848	(317,603)	122,244
Net current assets	6,358,011	(14,537,475)	(8,179,463)
Property, plant and equipment	113,479	12,306,485	12,419,964

	Property development sales & management N'000	Hospitality services N'000	Total N'000
<b>30-Jun-15</b>			
Total Revenue	2,686,839	810,572	3,497,411
Intergroup revenue	(8,000)	-	(8,000)
Revenue to third parties	2,678,839	810,572	3,489,411
Earnings before interest and tax	1,485,717	(79,980)	1,405,737
Profit before tax	584,648	(79,980)	504,668
Net current assets	6,517,938	(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:

Sale of property stock  
Rental income  
Project and Management Surcharge Income  
**UACN Property Development Company Plc**  
UPDC Hotels Limited

30 Jun 2016	30 Jun 2015
N'000	N'000
828,680	2,332,413
277,247	256,516
85,799	97,910
1,191,727	2,686,839
554,842	810,572
<b>1,746,569</b>	<b>3,497,411</b>

Analysis of revenue by geographical location:

Nigeria

30 Jun 2016	30 Jun 2015
N'000	N'000
1,746,569	3,497,411



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**4i. Other Income**

	<b>The Group</b>	
	<b>Jun 2016 N'000</b>	<b>Jun 2015 N'000</b>
Legal and Documentation Fee	29,999	27,556
Service charge income from UHL	5,195	6,909
Other Income	35,127	49,889
<b>Total other income</b>	<b>70,322</b>	<b>84,355</b>

**4ii. Share of profit of associate**

**970,191      1,205,325**

UPDC diversified its portfolio in 2013 through the floating of the UPDC Real Estate Investment Trust (REIT). Five (5) major investment properties were transferred to the UPDC REIT namely Abebe courts Ikoyi, Victoria Mall Plaza (VMP), residential and office block, Victoria Island, UACN commercial complex Abuja and MDS warehouse at Aba. Amount represents recognition of Profit from the REIT for the period under review.

**5 (a) Expenses by nature**

	<b>The Group</b>	
	<b>Jun 2016 N'000</b>	<b>Jun 2015 N'000</b>
Change in inventories of finished goods and work in progress	1,142,648	2,604,786
Direct operating expenses for Investment properties	30,014	84,565
Personnel expenses	143,932	170,248
Depreciation & Amortization	193,869	229,715
Professional fees	97,933	75,980
Auditors' remuneration	3,360	6,750
Directors' emoluments	26,675	60,391
UACN management fee	11,917	26,818
Information Technology	21,845	54,351
Insurance	12,557	4,772
Marketing & Communication	78,127	62,977
Back duty	237,904	-
	<b>2,000,783</b>	<b>3,381,354</b>

**5 (b) Expenses by function**

Cost of sales	1,197,385	2,667,302
Selling and distribution expenses	78,127	74,914
Administrative expenses	725,272	639,139
	<b>2,000,783</b>	<b>3,381,354</b>

**6. Net finance income/(cost)**

	<b>The Group</b>	
	<b>Jun 2016 N'000</b>	<b>Jun 2015 N'000</b>
<b>Finance Income</b>	<b>285,206</b>	<b>243,168</b>
Interest payable on bank loans	(758,772)	(926,036)
Interest payable on bank overdraft	(161,489)	(218,201)
<b>Finance Costs</b>	<b>(920,260)</b>	<b>(1,144,237)</b>
<b>Net finance cost</b>	<b>(635,054)</b>	<b>(901,069)</b>

**7. Taxation**

	<b>The Group</b>	
	<b>Jun 2016 N'000</b>	<b>Jun 2015 N'000</b>
<i>Current tax</i>		
Nigeria corporation tax charge/ (credit) for the period	87,970	-
<b>Total current tax charge</b>	<b>87,970</b>	<b>-</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. 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	
	Jun 2016	Jun 2015
Profit attributable to ordinary equity shareholders (NGN 000)	51,108	508,906
<b>Basic earnings per share (Kobo)</b>	<b>3</b>	<b>30</b>
<b>Diluted earnings per share (Kobo)</b>	<b>3</b>	<b>30</b>

	The Group	
	Jun 2016 Number ('000)	Jun 2015 Number ('000)
Basic weighted average and Diluted weighted average number of shares.	1,718,750	1,718,750

(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.

9. Property, plant and equipment

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 2016	14,501,790	305,793	871,537	1,512,948	126,601	2,604	17,321,273
Addition	16,584	26,350	13,830	1,780	2,359	-	60,903
Disposals	-	(49,409)	(102,236)	-	(627)	-	(152,271)
Reclassification	-	-	2,604	-	-	(2,604)	-
<b>At 30 June 2016</b>	<b>14,518,374</b>	<b>282,734</b>	<b>785,735</b>	<b>1,514,728</b>	<b>128,333</b>	<b>-</b>	<b>17,229,904</b>

Accumulated depreciation and impairment

At 1 January 2016	2,291,562	220,761	789,515.00	1,276,039	113,522	-	4,691,398
Charge for the period	134,493	24,024	13,483	10,505	3,679	-	186,184
Disposals	-	(43,892)	(23,125)	-	(626)	-	(67,643)
<b>At 30 June 2016</b>	<b>2,426,055</b>	<b>200,893</b>	<b>779,874</b>	<b>1,286,544</b>	<b>116,575</b>	<b>-</b>	<b>4,809,940</b>

Net book values

<b>At 30 June 2016</b>	<b>12,092,319</b>	<b>81,841</b>	<b>5,862</b>	<b>228,184</b>	<b>11,758</b>	<b>-</b>	<b>12,419,964</b>
<b>At 31 December 2015</b>	<b>12,210,228</b>	<b>85,032</b>	<b>82,022</b>	<b>236,909</b>	<b>13,079</b>	<b>2,604</b>	<b>12,630,875</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Intangible assets

	The Group Software N'000
<b>Cost</b>	
At 1 January 2016	315,603
Additions	4,837
Disposals	-
At 30 June 2016	320,440
<b>Amortisation</b>	
At 1 January 2016	255,794
Amortisation for the period	7,685
At 30 June 2016	263,479
<b>Net book values</b>	
At 30 June 2016	56,961
At 31 December 2015	59,810

11. Investment property

	The Group		
	Freehold building N'000	Leasehold building N'000	Total investment properties N'000
<b>Fair value</b>			
At 1 January 2016	471,138	16,395,877	16,867,015
Additions	-	15,539	15,539
Disposals	-	(745,000)	(745,000)
At 30 June 2016	471,138	15,666,416	16,137,554

	The Group		
	Freehold building N'000	Leasehold building N'000	Total investment properties N'000
<b>Fair value</b>			
At 1 January 2015	673,984	15,868,125	16,542,109
Additions	-	53,593	53,593
Reclassification	(214,684)	214,684	-
Reclassification from property stocks held as inventories (Note 18)	-	260,000	260,000
Disposals	-	(241,365)	(241,365)
Net gain/ Deficit on revaluation	11,838	240,840	252,678
At 31 Dec 2015	471,138	16,395,877	16,867,015

Seven properties in Lagos valued at N745 million were disposed during the period for a sales proceed of N729 million.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12. Investments in associates and equity accounted joint ventures

Principal investments

#### Quoted shares:

UPDC REIT

#### Joint Ventures

UPDC Metro City Limited

First Festival Mall Limited

James Pinnock JV

Transit Village Dev. Co. Ltd

The Group				
	Jun 2016 N'000	Dec-15 N'000	Jun 2016 % holding	Dec-15 % holding
	19,109,799	19,109,799	61.8%	61.8%
	244,170	244,170	60.0%	60.0%
	234,427	234,427	45.0%	45.0%
	1,535,865	1,535,865	51.0%	51.0%
	73,606	73,606	40.0%	40.0%
	21,197,867	21,197,867		

### 13. Available for sale financial asset

Investment in UNICO CPFA Limited

The Group	
Jun 2016 N'000	Dec-15 N'000
10,000	10,000

This represents 6.7% holding in the ordinary share capital of UNICO CPFA Limited, a company incorporated and operating in Nigeria. The investment is measured at cost.

### 14. Inventories

Consumption stocks and spares

Non trade stock

Properties under construction (note 15)

The Group	
Jun 2016 N'000	Dec-15 N'000
22,700	18,834
150,548	146,406
13,407,231	12,166,714
13,580,479	12,331,955

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**15. Properties under construction**

	<b>The Group</b>	
	<b>Jun 2016 N'000</b>	<b>Dec-15 N'000</b>
Balance 1 January	12,166,714	9,489,183
Additions	1,971,073	5,896,842
Reclassification as investment properties (Note 11)	-	(260,000)
Disposals	(759,136)	(3,178,378)
Provision for Maitama Land	-	(5,423)
Unrealised gain on transfer of asset	28,580	224,490
	<b>13,407,231</b>	<b>12,166,714</b>

**16. Trade and other receivables**

	<b>The Group</b>	
	<b>Jun 2016 N'000</b>	<b>Dec-15 N'000</b>
Trade receivables	1,783,941	2,042,570
Less: provision for impairment of trade receivables	(172,017)	(172,017)
Net trade receivables	1,611,924	1,870,553
Receivables from group companies (Note 22)	7,452,160	6,096,373
Other receivables	1,938,846	786,233
Advances to staff	10,301	8,982
	<b>11,013,232</b>	<b>8,762,140</b>

**Analysis of other receivables**

	<b>The Group</b>	
Mobilization payments to contractors	1,148,843	533,270
Prepayments and accrued income	180,821	132,008
Sundry debit balances	609,182	120,954
	<b>1,938,846</b>	<b>786,232</b>

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

	<b>The Group</b>	
	<b>Jun 2016 N'000</b>	<b>Dec-15 N'000</b>
At 1 January	172,017	208,071
Unused amounts reversed	-	(36,054)
	<b>172,017</b>	<b>172,017</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 17. Cash and cash equivalents

	The Group	
	Jun-16 N'000	Dec-15 N'000
Cash at bank and in hand	108,392	100,904
Less: bank overdrafts (included in borrowings, note 21)	(771,593)	(1,249,420)
<b>Cash and cash equivalents</b>	<b>(663,201)</b>	<b>(1,148,516)</b>

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

### 18. Interest bearing Loans and Borrowings

	The Group	
	Jun-16 N'000	Dec-15 N'000
<b>Current borrowings</b>		
Bank Overdrafts	771,593	1,249,420
Commercial papers dues within one year	15,766,084	12,932,861
Loans due within one year (i)	2,333,333	2,224,840
	<b>18,871,010</b>	<b>16,407,121</b>
<b>Non-current borrowings</b>		
Loans due after one year (i)	5,155,027	6,399,240
	<b>5,155,027</b>	<b>6,399,240</b>
<b>Total borrowings carried at fair value</b>	<b>24,026,037</b>	<b>22,806,361</b>

#### (i) Loans

The Group	Amount due		Tenor	Repayment terms	Security
	Jun-16 N'000	Dec-15 N'000			
<b>Details of the loan maturities are as follows:</b>					
Guaranty Trust Bank Plc	3,488,360	3,493,689	38 months	Quarterly	Equitable mortgage
Union Bank of Nigeria Plc	-	1,086,270	4 months	Quarterly	Equitable mortgage
FSDH Merchant Bank	4,000,000	4,044,121	35 months	Quarterly	Equitable mortgage
	<b>7,488,360</b>	<b>8,624,080</b>			

The average interest rate for facilities from local banks during the period was 14.1% (2015 was 16.3%). All covenants attached to borrowings have been complied with throughout the period.

Total borrowing cost of N568.8 million (2015: N909 million) have been capitalised into various projects using weighted average rate of 14.1%.

#### Details of commercial papers

	The Group	
	Jun-16 N'000	Dec-15 N'000
FBN Merchant Bank Limited	-	5,000,000
UBA Plc	-	7,432,861
FSDH Merchant Bank	-	500,000
Commercial Paper - First Tranche	15,766,084	-
<b>Total Commercial Papers</b>	<b>15,766,084</b>	<b>12,932,861</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19. Trade and other payables

	The Group	
	Jun-16 N'000	Dec-15 N'000
Trade payables	2,941,834	2,883,467
Amounts owed to other related parties (Note 22)	8,407,594	6,967,167
	<b>11,349,428</b>	<b>9,850,634</b>
Other payables	136,675	475,329
Accruals	1,567,325	1,560,628
<b>Total</b>	<b>13,053,428</b>	<b>11,886,591</b>

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

### 20. Deferred revenue

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

	The Group	
	Jun-16 N'000	Dec-15 N'000
Within one year	192,855	241,370
Greater than one year	26,339	15,751
	<b>219,195</b>	<b>257,121</b>

The Group lease out a number of premises to third parties. These are subject to review dates ranging from 1 year to 2 years.

Movement in the deferred revenue is as follows:

	The Group	
	Jun-16 N'000	Dec-15 N'000
Opening balance	257,121	258,686
Rental received in the period	208,782	508,618
Less amount released to Comprehensive Income	(246,708)	(510,183)
Balance carried forward	<b>219,195</b>	<b>257,121</b>

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

	The Group	
	Jun-16 N'000	Dec-15 N'000
Profit before tax	122,244	55,851
Adjustment for non cash items		
Depreciation	186,184	358,063
Impairment/write off of property, plant & equipment and investment in subsidiary	-	473,413
Amortization of intangible asset	7,686	11,392
Fair value gain on investment properties	-	(252,678)
(Gain)/ Loss on disposal of investment properties	29,000	57,365
(Profit)/ Loss on disposal of property, plant and equipment	(3,611)	(4,223)
Finance cost	920,260	2,670,625
Finance income	(285,206)	(607,981)
Share of associate's profit	-	(1,787,461)
	<b>976,558</b>	<b>974,367</b>
Changes in working capital:		
(Increase)/decrease in inventories	(1,248,524)	(2,925,602)
Decrease/(increase) in receivables	(2,251,092)	440,989
Increase/(decrease) in payables	1,270,344	5,555,172
Cash generated from operations	<b>(1,252,714)</b>	<b>4,044,926</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 22. 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

The following transactions were carried out with related parties:

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

UAC of Nigeria Plc  
UAC Restaurants Limited  
Chemical & Allied Products Plc  
MDS Logistics Plc  
Portland Paints and Products Nig Plc  
UNICO CPFA Limited

Relationship	The Group	
	Jun 2016 N'000	Jun 2015 N'000
Parent	30,446	58,828
Fellow Subsidiary	52,744	1,253
Fellow Subsidiary	854	-
Fellow Subsidiary	7,668	5,424
Fellow Subsidiary	434	-
Fellow Subsidiary	1,068	2,627

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

UAC of Nigeria Plc  
UAC Restaurants Limited  
Warm Spring Waters Nig Limited  
Chemical & Allied Products Plc  
UNICO CPFA Limited  
Portland Paints & Products Nig. Plc

Relationship	The Group	
	Jun 2016 N'000	Jun 2015 N'000
Parent	11,917	26,818
Fellow Subsidiary	-	-
Fellow Subsidiary	-	-
Fellow Subsidiary	412	-
Fellow Subsidiary	-	-
Fellow Subsidiary	7,284	-

#### (c) Period-end balances arising from sales/purchases of goods/services

##### Receivable:

UPDC Metrocity Limited loan  
UPDC Metrocity Limited  
First Festival Mall Limited loan (ii)  
First Festival Mall Limited  
First Restoration Dev. Co. Limited  
Calabar Golf Estate Limited  
Pinnacle Apartment Development Limited  
Chemical & Allied Products Plc  
MDS Logistics Limited  
Imani and Sons  
Galaxy Mall Current Account  
UPDC REIT  
UAC of Nigeria Plc  
Grand Cereals Limited  
UNICO CPFA Limited  
UAC Restaurants Limited  
Other Affiliates

Relationship	The Group	
	Jun 2016 N'000	Dec-15 N'000
Joint Venture	1,383,626	1,383,626
Joint Venture	1,673,779	1,588,547
Joint Venture	1,328,422	1,328,422
Joint Venture	511,743	305,829
Joint Venture	156,408	161,557
Joint Venture	506,298	481,712
Joint Venture	239,444	230,496
Fellow Subsidiary	645	-
Fellow Subsidiary	-	26
JV Partner	644,427	593,675
Joint Venture	-	1,138
Associate	892,421	2,778
Parent Company	18,631	8,764
Fellow Subsidiary	96,316	-
Fellow Subsidiary	-	1,539
Fellow Subsidiary	-	7,470
Fellow Subsidiary	-	793
	<b>7,452,160</b>	<b>6,096,373</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Payable

UAC of Nigeria Plc.	Relationship
UPDC REIT	Parent Company
MDS Logistics Plc	Associate
James Pinnock current account	Fellow Subsidiary
Grand Cereals Limited	Joint Venture
Portland Paints and Products Nig. Plc	Fellow Subsidiary
UAC Foods Limited	Fellow Subsidiary
Other affiliates	Fellow Subsidiary

### Relationship

Parent Company
Associate
Fellow Subsidiary
Joint Venture
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary

The Group	
Jun 2016	Dec-15
N'000	N'000
3,246,000	2,000,664
-	6,922
1,570,003	1,018,166
3,590,929	2,537,514
-	1,368,000
662	13,240
-	17,689
-	4,972
<b>8,407,594</b>	<b>6,967,167</b>

All trading balances will be settled in cash.

There were no provisions for doubtful related party receivables at 30 June 2016 (2015: nil) and no charges to the income statement in respect of doubtful related party receivables (2015: nil).

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

### 23. 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 N11.9 million (2015: N26.87 million)