

**UNAUDITED FINANCIAL STATEMENTS FOR  
THE PERIOD ENDED  
31<sup>ST</sup> MARCH, 2017**


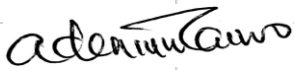
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**UACN PROPERTY DEVELOPMENT COMPANY PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31ST MARCH 2017**

	Notes	The Group	
		2017 N'000	2016 N'000
Revenue	3	1,974,058	682,464
Cost of sales	5	(1,792,416)	(565,334)
<b>Gross profit</b>		181,641	117,130
Gain on disposal of investment properties		-	1,000
Selling and distribution expenses	5	(31,138)	(38,205)
Administrative expenses	5	(287,354)	(299,200)
Other operating income	4	21,700	64,536
<b>Operating (loss)/ profit</b>		(115,150)	(154,740)
Finance income	6	194,579	125,828
Finance cost	6	(1,516,868)	(760,621)
Net finance cost		(1,322,290)	(634,793)
Share of profit of associates	4	392,664	664,242
Share of loss of Joint Venture	12	(106,590)	-
<b>(Loss)/ Profit before taxation</b>		<b>(1,151,366)</b>	<b>(125,290)</b>
Taxation	7	(41,236)	(2,457)
<b>(Loss)/ Profit for the period</b>		<b>(1,192,602)</b>	<b>(127,748)</b>
<b>Other comprehensive income for the period net of taxation</b>		-	-
<b>Total comprehensive income for the period</b>		(1,192,602)	(127,748)
<b>(Loss)/ Profit attributable to:</b>			
Equity holders of the parent		(1,187,680)	(120,456)
Non-controlling interest		(4,922)	(7,292)
Other comprehensive income		-	-
<b>Total comprehensive income</b>		(1,192,602)	(127,748)
<b>Total comprehensive (loss)/ income attributable to:</b>			
Equity holders of the parent		(1,187,680)	(120,456)
Non-controlling interests		(4,922)	(7,292)
<b>Total comprehensive income/ (loss)</b>		(1,192,602)	(127,748)
Basic EPS (Kobo)	8	(69)	(7)
Diluted EPS (Kobo)	8	(69)	(7)

The summary of significant accounting policies and notes on pages 5 to 16 are an integral part of these financial statements.

<b>UACN PROPERTY DEVELOPMENT COMPANY PLC</b>			
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
<b>AS AT 31ST MARCH 2017</b>			
	Notes	<b>The Group</b>	
		<b>31 Mar. 2017</b>	<b>31 Dec. 2016</b>
		<b>N'000</b>	<b>N'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	12,188,758	12,246,244
Intangible assets	10	53,641	51,403
Investment properties	11	16,654,320	16,654,320
Investments in joint ventures	12	374,700	481,289
Investments in associates	12	19,214,990	19,214,990
Available-for-sale financial assets	13	10,000	10,000
Investments in subsidiaries	14	-	-
		<b>48,496,408</b>	<b>48,658,246</b>
<b>Current assets</b>			
Inventories	15	11,737,039	12,868,001
Trade and other receivables	17	10,388,844	9,288,379
Cash at bank and in hand	18	163,215	89,111
		<b>22,289,098</b>	<b>22,245,490</b>
<b>Total assets</b>		<b>70,785,506</b>	<b>70,903,736</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing Loans and Borrowings	19	4,000,000	4,000,000
Deferred taxation liabilities		75,194	72,537
Deferred revenue	21	4,915	4,600
		<b>4,080,109</b>	<b>4,077,137</b>
<b>Current liabilities</b>			
Trade and other payables	20	13,986,912	12,934,264
Current income tax liabilities		773,755	732,519
Interest bearing Loans and Borrowings	19	18,512,046	18,607,800
Dividend Payable	22	359,688	307,767
Deferred revenue	21	241,483	220,136
		<b>33,873,884</b>	<b>32,802,486</b>
<b>Total liabilities</b>		<b>37,953,993</b>	<b>36,879,623</b>
<b>Equity</b>			
Share capital		859,375	859,375
Share premium		3,943,273	3,943,273
Retained earnings		28,184,074	29,371,754
<b>Equity attributable to equity holders of the Company</b>		<b>32,986,722</b>	<b>34,174,401</b>
<b>Non controlling interest</b>		<b>(155,208)</b>	<b>(150,287)</b>
<b>Total equity</b>		<b>32,831,513</b>	<b>34,024,114</b>
<b>Net equity and liabilities</b>		<b>70,785,506</b>	<b>70,903,736</b>
The financial statements on pages 5 to 16 were approved and authorised for issue by the board of directors on 25th March 2017 and were signed on its behalf by:			
			
Hakeem D. Ogunniran		Adeniun O. Taiwo	
FRC/2013/ICSAN/00000001723		FRC/2013/ICAN/0000000723	
The summary of significant accounting policies and notes on pages 5 to 16 are an integral part of these financial statements.			

<b>UACN PROPERTY DEVELOPMENT COMPANY PLC</b>						
<b>Consolidated statement of changes in equity</b>						
<b>As at March 2017</b>						
	<b>The Group</b>					
	<b>Attributable to owners of the Company</b>				<b>Non Controlling interest</b>	
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>TOTAL</b>		<b>Total</b>
	<b>N'ooo</b>	<b>N'ooo</b>	<b>N'ooo</b>	<b>N'ooo</b>	<b>N'ooo</b>	<b>N'ooo</b>
Balance at 1 January 2017	859,375	3,943,273	29,371,754	34,174,402	(150,287)	34,024,115
Loss for the period	-	-	(1,187,680)	(1,187,680)	(4,922)	(1,192,602)
<b>Other comprehensive income</b>				-		-
Dividends	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>859,375</b>	<b>3,943,273</b>	<b>28,184,074</b>	<b>32,986,722</b>	<b>(155,209)</b>	<b>32,831,513</b>

The summary of significant accounting policies and notes on pages 5 to 16 are an integral part of these financial statements.

**UACN PROPERTY DEVELOPMENT COMPANY PLC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS AT 31 MARCH 2017**

	<b>The Group</b>	
	<b>2017</b>	2016
	Mar	Dec
	<b>=N='000</b>	<b>=N='000</b>
<b>Cash flow from operating activities (Note 23)</b>	(1,893,801)	(1,392,954)
Tax paid	-	(51,039)
VAT paid	(10,103)	(17,378)
<b>Net Cash inflow from operating activities</b>	<b>(1,903,905)</b>	<b>(1,461,371)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investment property	-	2,782,422
Purchase of property, plant & equipment	(24,388)	(86,004)
Purchase of intangible asset	(6,010)	(3,306)
Proceeds from sale of property, plant and equipment	50	115,772
Purchase of investment properties	-	(15,539)
Income Distribution from UPDC REIT	392,664	1,055,469
Interest received	194,579	624,993
<b>Net cash flow from investing activities</b>	<b>556,895</b>	<b>4,473,807</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	145,180	31,590,163
Repayment of borrowings	(333,333)	(31,491,797)
Interest paid	1,516,868	(2,825,667)
<b>Net cash flow from financing activities</b>	<b>1,328,715</b>	<b>(2,727,301)</b>
Net increase/(decrease) in cash and cash equivalents	(18,295)	285,135
Cash and cash equivalents at the beginning of the period	(863,383)	(1,148,518)
Cash and cash equivalents at the end of the period (Note 18)	(881,678)	(863,383)

The summary of significant accounting policies and notes on pages 5 to 16 are an integral part of these financial statements.

**UACN PROPERTY DEVELOPMENT COMPANY PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

**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**

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 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 cost.

*(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 2016.

**2.3 Estimates**

The preparation of interim financial statements requires management to make judgments, 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 judgments 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 2016.

**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 minimize 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 2016. There have been no changes in the risk management structure since year end or in any risk management policy.

<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>			
<b>3. Segmental Analysis</b>			
The chief operating decision-maker has been identified as the Executive Committee (Exco). Exco reviews the company's			
Nigeria is the Company's primary geographical segment as the operations of the Company are entirely carried out in Nigeria.			
<b>Property development, sales &amp; management</b> - UACN Property Development Plc (UPDC) main business is the acquisition,			
<b>Hospitality services</b> - UPDC Hotels Limited the company's subsidiary is in the hospitality industry and leverages significantly			
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			
	<b>Property development sales &amp; management</b>	<b>Hospitality services</b>	<b>Total</b>
	N'000	N'000	N'000
<b>31-Mar-17</b>			
Total Revenue	1,556,663	417,838	1,974,502
Intergroup revenue	-	(444)	(444)
Revenue to third parties	1,556,663	417,394	1,974,058
Earnings before interest and tax	370,379	(92,865)	(115,150)
Profit before tax	(951,911)	(92,865)	(1,151,366)
Net current assets	2,914,982	(14,639,385)	(11,584,786)
Property, plant and equipment	106,121	12,082,637	12,188,758
	<b>Property development sales &amp; management</b>	<b>Hospitality services</b>	<b>Total</b>
	N'000	N'000	N'000
<b>31-Mar-16</b>			
Total Revenue	394,773	288,717	683,490
Intergroup revenue	-	(1,026)	(1,026)
Revenue to third parties	362,275	287,692	682,464
Earnings before interest and tax	647,079	(131,327)	(154,740)
Profit before tax	12,286	(137,577)	(125,290)
Net current assets	6,862,276	(14,508,002)	(7,926,728)
Property, plant and equipment	104,535	12,366,577	12,471,112
<b>Entity wide information</b>			
Analysis of revenue by category:	<b>31 Mar 2017</b>	<b>31 Mar 2016</b>	
	<b>N'000</b>	<b>N'000</b>	
Sale of property stock	1,263,573	228,853	
Share of James Pinnock sale of property stock	113,195	-	
Rental income	131,157	126,178	
Project and Management Surcharge Income	48,739	39,742	
UACN Property Development Company Plc	1,556,663	394,773	
UPDC Hotels Limited	417,394	287,692	
	1,974,058	682,464	
	<b>31 Mar 2017</b>	<b>31 Mar 2016</b>	
	<b>N'000</b>	<b>N'000</b>	
Analysis of revenue by geographical location:			
Nigeria	1,974,058	682,464	



<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>			
<b>4. Other Income and expenses</b>		<b>The Group</b>	
		<b>Mar 2017</b>	<b>Mar 2016</b>
		<b>N'000</b>	<b>N'000</b>
Income distribution from UPDC REIT		-	-
Sales commission		2,242	23,625
Legal and Documentation Fee		15,750	20,430
Profit on sale of PPE		41	2,543
Exchange Gain		55	79
Share of Golden Tulip Hotel's Service charge		3,612	2,753
Other Income		-	15,106
<b>Total other income</b>		<b>21,700</b>	<b>64,536</b>
<b>Share of profit of associate</b>		<b>392,664</b>	<b>739,435</b>
<p>UPDC diversified its portfolio in 2013 through the floating of the UPDC Real Estate Investment Trust (REIT) at a capital value of N26.7 billion listed on the Nigerian Stock Exchange (NSE) on 1 July, 2013. The REIT is a property fund backed by five (5) major investment properties located in Lagos, Abuja and Aba. The REIT's income comprises of rental income from the property assets and interest earned from short term investments in money market instruments and other real estate related assets. UPDC held 61.5% of the fund as at 31 March 2017. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit.</p>			
<b>5. Expenses by nature</b>		<b>The Group</b>	
		<b>Mar 2017</b>	<b>Mar 2016</b>
		<b>N'000</b>	<b>N'000</b>
Change in inventories of finished goods and work in progress		1,769,189	556,705
Direct operating expenses for Investment properties		19,137	10,522
Personnel expenses		145,157	151,302
Depreciation & Amortization		85,636	100,615
Auditors' remuneration		1,000	9,900
UACN management fee		14,435	4,287
Information Technology		19,970	12,501
Insurance		7,681	6,366
Directors' emolument		18,011	13,362
Marketing & Communication		31,138	38,205
		<b>2,111,352</b>	<b>903,766</b>
Cost of sales		1,792,861	566,360
Selling and distribution expenses		31,138	38,205
Administrative expenses		287,354	299,200
		<b>2,111,352</b>	<b>903,766</b>
<b>6. Net finance income/(cost)</b>		<b>The Group</b>	
		<b>Mar 2017</b>	<b>Mar 2016</b>
		<b>N'000</b>	<b>N'000</b>
<b>Finance Income</b>		<b>194,579</b>	<b>125,828</b>
Interest payable on bank loans		(1,425,006)	(625,607)
Interest payable on bank overdraft		(91,863)	(135,014)
<b>Finance Costs</b>		<b>(1,516,868)</b>	<b>(760,621)</b>
<b>Net finance cost</b>		<b>(1,322,290)</b>	<b>(634,793)</b>
<b>7. Taxation</b>		<b>The Group</b>	
		<b>Mar 2017</b>	<b>Mar 2016</b>
		<b>N'000</b>	<b>N'000</b>
<i>Current tax</i>			
Nigeria corporation tax charge/ (credit) for the period		41,236	2,457
<b>Total current tax charge</b>		<b>41,236</b>	<b>2,457</b>
Tax provision has been computed on the basis of minimum tax (2015: 20%)			

**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.

	<b>The Group</b>	
	<b>2017</b>	<b>2016</b>
Profit attributable to ordinary equity shareholders (NGN 000)	(1,192,602)	(127,748)
<b>Basic earnings per share (Kobo)</b>	<b>(69)</b>	<b>(7)</b>
<b>Diluted earnings per share (Kobo)</b>	<b>(69)</b>	<b>(7)</b>
	<b>The Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>Number ('000)</b>	<b>Number ('000)</b>
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**
**The Group**

<b>Cost</b>	<b>Leasehold land and buildings N'000</b>	<b>Motor vehicles N'000</b>	<b>Plant and Machinery N'000</b>	<b>Furniture &amp; Fittings N'000</b>	<b>Computer Equipment N'000</b>	<b>Total N'000</b>
At 1 January 2017	14,515,138	255,098	810,762	1,514,953	131,179	17,227,129
Addition	-	-	24,123	265	-	24,388
Disposals	-	-	-	(95)	-	(95)
<b>At 31 March 2017</b>	<b>14,515,138</b>	<b>255,098</b>	<b>834,885</b>	<b>1,515,123</b>	<b>131,179</b>	<b>17,251,422</b>
	<b>Accumulated depreciation and impairment</b>					
At 1 January 2017	2,565,861	197,654	803,844.81	1,294,391	119,135	4,691,398
Charge for the period	66,000	5,006	5,882	3,688	1,287	81,864
Disposals	-	-	-	(85)	-	(85)
<b>At 31 March 2017</b>	<b>2,631,861</b>	<b>202,661</b>	<b>809,727</b>	<b>1,297,995</b>	<b>120,422</b>	<b>5,062,664</b>
	<b>Net book values</b>					
<b>At 31 March 2017</b>	<b>11,883,277</b>	<b>52,437</b>	<b>25,158</b>	<b>217,128</b>	<b>10,758</b>	<b>12,188,758</b>
<b>At 31 December 2016</b>	<b>11,949,277</b>	<b>57,444</b>	<b>6,917</b>	<b>220,561</b>	<b>12,044</b>	<b>12,246,244</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS			
<b>10. Intangible assets</b>			
			<b>The Group Software N'000</b>
<b>Cost</b>			
At 1 January 2017			318,909
Additions			6,010
Disposals			-
<b>At 31 March 2017</b>			<b>324,919</b>
<b>Amortisation</b>			
At 1 January 2017			267,507
Amortisation for the period			3,772
<b>At 31 March 2017</b>			<b>271,279</b>
<b>Net book values</b>			
<b>At 31 March 2017</b>			<b>53,641</b>
<b>At 31 December 2016</b>			<b>51,403</b>
<b>11. Investment property</b>			
		<b>The Group</b>	
		<b>Freehold building N'000</b>	<b>Leasehold building N'000</b>
<b>Fair value</b>			<b>Total investment properties N'000</b>
At 1 January 2017		441,050	16,213,270
Additions		-	-
Reclassification		-	-
Reclassification from property stocks held as inventories (Note 18)		-	-
Net gain/ Deficit on revaluation		-	-
<b>At 31 March 2017</b>		<b>441,050</b>	<b>16,213,270</b>
		<b>The Group</b>	
		<b>Freehold building N'000</b>	<b>Leasehold building N'000</b>
<b>Fair value</b>			<b>Total investment properties N'000</b>
At 1 January 2016		471,138	16,395,877
Additions		-	15,539
Reclassification		(23,588)	23,588
Reclassification from property stocks held as inventories (Note 18)		-	312,845
Disposals		-	(2,050,050)
Net gain/ Deficit on revaluation		(6,500)	1,515,470
<b>At 31 December 2016</b>		<b>441,050</b>	<b>16,213,270</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

	The Group		Mar-17 % holding	Dec-16 % holding
	Mar-17 N'000	Dec-16 N'000		
Principal investments				
<b>Investment in Associate</b>				
Updc REIT	19,214,990	19,214,990	61.8%	61.8%
<b>Joint Ventures</b>				
UPDC Metro City Limited	-	-	60.0%	60.0%
First Festival Mall Limited	301,093	407,683	45.0%	45.0%
Transit Village Dev. Co. Ltd	73,606	73,606	40.0%	40.0%
	<b>374,699</b>	<b>481,289</b>		
	<b>19,589,690</b>	<b>19,696,279</b>		

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

	The Group	
	Mar-17 N'000	Dec-16 N'000
At 1 January	481,289	2,088,068
Share of (loss)/ profit of First Festival Mall Limited	(106,590)	173,256
Impairment of investment in UPDC Metro City Limited	-	(244,170)
Derecognition of investment in James Pinnock	-	(1,535,865)
At 31 December	<b>374,699</b>	<b>481,289</b>

**13. Available for sale financial asset**

	The Group	
	Mar-17 N'000	Dec-16 N'000
Investment in UNICO CPFA Limited	10,000	10,000

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

**14. Investments in subsidiaries**

	The Group		% Shareholding	
	Mar-17 N'000	Dec-16 N'000	Mar-17 N'000	Dec-16 N'000
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
	<b>2,136,310</b>	<b>2,136,310</b>		
Impairment of investments	(2,136,310)	(2,136,310)		
	<b>-</b>	<b>-</b>		

**15. Inventories**

	The Group	
	Mar-17 N'000	Dec-16 N'000
Consumption stocks and spares	133,637	135,867
Non stock trade	55,898	60,002
Properties under construction (note 16)	11,547,504	12,672,132
	<b>11,737,039</b>	<b>12,868,001</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**16. Properties under construction**

	<b>The Group</b>	
	<b>Mar-17</b> N'000	<b>Dec-16</b> N'000
Balance 1 January	12,672,132	12,166,714
Additions	188,648	5,021,016
Reclassification as investment properties (Note 13)	-	(368,732)
Disposals	(1,313,276)	(2,346,900)
Other Losses from completed projects	-	(1,695,579)
Provision for Manor Gardens	-	(132,936)
Unrealised gain on transfer of asset	-	28,548
	<b>11,547,504</b>	<b>12,672,132</b>

**17. Trade and other receivables**

	<b>The Group</b>	
	<b>Mar-17</b> N'000	<b>Dec-16</b> N'000
Trade receivables	1,958,354	1,518,227
Less: provision for impairment of trade receivables	(144,136)	(144,136)
Net trade receivables	1,814,218	1,374,092
Receivables from group companies (Note 26)	7,493,880	7,007,840
Other receivables	1,076,537	903,569
Advances to staff	4,209	2,878
	<b>10,388,844</b>	<b>9,288,379</b>

**Analysis of other receivables**

Mobilization payments to contractors	130,198	87,345
Prepayments and accrued income	223,595	185,840
Sundry debit balances	722,744	630,384
	<b>1,076,537</b>	<b>903,569</b>

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

	<b>The Group</b>	
	<b>Mar-17</b> N'000	<b>Dec-16</b> N'000
At 1 January	144,136	172,017
Provision for receivables impairment	-	3,470
Unused amounts reversed	-	(31,351)
	<b>144,136</b>	<b>144,136</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**18. Cash and cash equivalents**

	The Group	
	Mar-17 N'000	Dec-16 N'000
Cash at bank and in hand	115,805	89,111
Short term investment	47,409	-
	163,215	89,111
Less: bank overdrafts (included in borrowings, note 19)	(1,044,893)	(952,493)
<b>Cash and cash equivalents</b>	<b>(881,678)</b>	<b>(863,382)</b>

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

**19. Interest bearing Loans and Borrowings**

	The Group	
	Mar-17 N'000	Dec-16 N'000
<b>Current borrowings</b>		
Bank Overdrafts	1,044,893	952,493
Commercial papers dues within one year	15,467,153	15,321,974
Loans due within one year (i)	2,000,000	2,333,333
	<b>18,512,046</b>	<b>18,607,800</b>
<b>Non-current borrowings</b>		
Loans due after one year (i)	4,000,000	4,000,000
<b>Total borrowings carried at fair value</b>	<b>22,512,046</b>	<b>22,607,800</b>

**(i) Loans**

The Company/ The Group	Amount due		Tenor	Repayment terms	Security
	Mar-17 N'000	Dec-16 N'000			
<b>Details of the loan maturities are as follows:</b>					
Guaranty Trust Bank Plc	3,000,000	3,333,333	38 months	Quarterly	Equitable mortgage
FSDH Merchant Bank	3,000,000	3,000,000	35 months	Quarterly	Equitable mortgage
	<b>6,000,000</b>	<b>6,333,333</b>			

The average interest rate for facilities from local banks during the period was 21.2% (2016 was 15.5%).

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

Total borrowing cost of N68.6 million (N362.1 million) have been capitalised into various projects using weighted average rate of 21.2%.

**Details of commercial papers**

	The Group	
	Mar-17 N'000	Dec-16 N'000
First Bank of Nigeria Limited Commercial Paper	300,000	300,000
	15,167,153	15,021,974
<b>Total Commercial Papers</b>	<b>15,467,153</b>	<b>15,321,974</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**20. Trade and other payables**

	The Group	
	Mar-17 N'000	Dec-16 N'000
Trade payables	1,598,109	1,603,952
Amounts owed to other related parties (Note 26)	9,867,879	9,703,624
	<b>11,465,988</b>	<b>11,307,576</b>
Provision for employee leave	7,327	8,114
Other payables	315,915	240,014
Accruals	2,197,680	1,378,559
<b>Total</b>	<b>13,986,912</b>	<b>12,934,264</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.

**21. Deferred revenue**

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

	The Group	
	Mar-17 N'000	Dec-16 N'000
Within one year	241,483	220,136
Greater than one year	4,915	4,600
	<b>246,398</b>	<b>224,735</b>

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

Movement in the deferred revenue is as follows:

	The Group	
	Mar-17 N'000	Dec-16 N'000
Opening balance	224,735	257,121
Rental received in the period	152,820	510,574
Less amount released to Comprehensive Income	(131,157)	(542,960)
Balance carried forward	<b>246,398</b>	<b>224,735</b>

**22. Dividend Payable**

	The Group	
	Mar-17 N'000	Dec-16 N'000
As at 1 January	307,767	166,334
Unclaimed dividend fund received	51,920	141,433
	<b>359,688</b>	<b>307,767</b>

**23. Reconciliation of profit before tax to cash generated from operations**

	The Group	
	Mar-17 N'000	Dec-16 N'000
Profit before tax	(1,192,602)	(1,783,124)
<b>Adjustment for non cash items:</b>		
Depreciation	81,864	354,046
Impairment/write off of property, plant & equipment and investment in subsidiary	-	-
Impairment of receivables	-	747,907
Losses on ongoing projects	-	1,695,579
Amortization of intangible asset	3,772	11,713
Fair value gain on investment properties	-	(1,508,970)
(Gain)/ Loss on disposal of investment properties	-	(732,372)
(Profit)/ Loss on disposal of property, plant and equipment	(41)	821
Finance cost	(1,516,868)	2,825,667
Finance income	(194,579)	(624,993)
Rental recognised in the year	-	(542,960)
Dividend received from UPDC REIT	-	-
Share of loss of Joint Ventures	106,590	70,913
Share of profit of UPDC REIT	(392,664)	(1,160,660)
	<b>(3,104,528)</b>	<b>(646,432)</b>
Changes in working capital:		
(Increase)/decrease in inventories	1,130,961	(1,008,606)
Decrease/(increase) in receivables	(1,100,465)	(1,454,974)
Increase/(decrease) in payables	1,180,230	1,717,058
Cash generated from operations	<b>(1,893,801)</b>	<b>(1,392,954)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 24. Related party transactions

The ultimate parent and controlling party of the company is UAC of Nigeria Plc incorporated in Nigeria. There are

The following transactions were carried out with related parties:

		The Group	
		Mar-17 N'000	Mar-16 N'000
(a) Sales of goods and services			
	<b>Relationship</b>		
UAC of Nigeria Plc	Parent	39,754	23,164
UAC Restaurants Limited	Fellow Subsidiary	4,095	5,801
MDS Logistics Plc	Fellow Subsidiary	1,392	2,680
UNICO	Fellow Subsidiary	-	853

		The Group	
		Mar-17 N'000	Mar-16 N'000
(b) Purchases of goods and services			
	<b>Relationship</b>		
UAC of Nigeria Plc	Parent	14,435	3,948
Warm Spring Waters Nig Limited	Fellow Subsidiary	-	88
Chemical & Allied Products Plc	Fellow Subsidiary	1,032	-
Portland Paints & Products Nig. Plc	Fellow Subsidiary	-	7,284
UPDC Hotels Limited	Subsidiary	-	-

		The Group	
		Mar-17 N'000	Dec-16 N'000
(c) Period-end balances arising from sales/purchases of goods/services			
<b>Receivable:</b>	<b>Relationship</b>		
UPDC Metrocity Limited loan	Joint Venture	1,383,626	1,383,626
UPDC Metrocity Limited	Joint Venture	1,162,733	1,141,850
UPDC Hotels Limited (i)	Subsidiary	-	-
First Festival Mall Limited loan (ii)	Joint Venture	1,328,422	1,328,422
First Festival Mall Limited	Joint Venture	799,936	780,034
First Restoration Dev. Co. Limited	Joint Venture	672,071	646,006
Calabar Golf Estate Limited	Joint Venture	507,678	531,159
Pinnacle Apartment Development Limited	Joint Venture	314,408	302,456
Imani and Sons	JV Partner	727,407	696,660
Galaxy Mall Current Account	Joint Venture	70,809	70,809
UPDC REIT	Associate	392,505	5,437
UAC of Nigeria Plc	Parent Company	16,660	-
UAC Restaurants Limited	Fellow Subsidiary	21,311	25,065
Grand Cereals Limited	Fellow Subsidiary	96,316	96,316
		<b>7,493,880</b>	<b>7,007,840</b>

i. Advances to UPDC Hotels Limited is interest free and repayable on demand.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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		Mar-17 N'000	Mar-16 N'000
	Relationship		
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UAC Restaurants Limited	Fellow Subsidiary	4,095	5,801
MDS Logistics Plc	Fellow Subsidiary	1,392	2,680
UNICO	Fellow Subsidiary	-	853

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

		The Group	
		Mar-17 N'000	Mar-16 N'000
	Relationship		
UAC of Nigeria Plc	Parent	14,435	3,948
Warm Spring Waters Nig Limited	Fellow Subsidiary	-	88
Chemical & Allied Products Plc	Fellow Subsidiary	1,032	-
Portland Paints & Products Nig. Plc	Fellow Subsidiary	-	7,284

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

		The Group	
		Mar-17 N'000	Dec-16 N'000
Receivable:	Relationship		
UPDC Metrocity Limited loan	Joint Venture	1,383,626	1,383,626
UPDC Metrocity Limited	Joint Venture	1,162,733	1,141,850
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Grand Cereals Limited	Fellow Subsidiary	96,316	96,316
		<b>7,493,880</b>	<b>7,007,840</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

			<b>The Group</b>	
			<b>Mar-17</b>	<b>Dec-16</b>
<b>Payable</b>		<b>Relationship</b>	N'000	N'000
UAC of Nigeria Plc.		Parent Company	3,928,343	3,927,162
Chemical and Allied Products Plc		Fellow Subsidiary	6,282	6,705
UPDC REIT		Joint Venture	-	14,610
MDS Logistics Plc		Joint Venture	1,310,825	1,279,830
James Pinnock current account		Joint Venture	4,120,945	3,949,143
Portland Paints and Products Nig. Plc		Joint Venture	662	662
UAC Foods Limited		Fellow Subsidiary	500,637	524,707
UAC Restaurants Limited		Fellow Subsidiary	185	765
Warm Spring Waters Nig. Ltd		Fellow Subsidiary	-	41
			<b>9,867,879</b>	<b>9,703,624</b>

All trading balances will be settled in cash.

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

**25. 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 N14.43 million (2016-N3.95 million). This does not include the share of sales of James Pinnock Place, the company's joint operation.