



(A subsidiary of Union Bank of Nigeria Plc)

**UBN Property Company Plc**  
**FIRST QUARTER INTERIM REPORT**  
**31 March 2019**

**Statement of profit or loss and other comprehensive income**

**For the period ended 31 March 2019**

*In thousands of Naira*

	Notes	31-Mar-19	31-Mar-18
Revenue- sales of trading properties	1	0	499,095
Cost of sales- trading properties	2	-	(330,133)
<b>Loss from sale of trading properties</b>		<b>-</b>	<b>168,962</b>
Investment income	3	163,704	199,310
Other income	4	31,025	31,779
<b>Other operating income</b>		<b>194,729</b>	<b>231,089</b>
Operating expenses	5	(62,483)	(49,184)
<b>Total expenses</b>		<b>(62,483)</b>	<b>(49,184)</b>
<b>Profit before minimum tax and income tax</b>		<b>132,246</b>	<b>350,867</b>
Income tax expense	16(i)	(24,677)	(66,592)
<b>Profit for the period</b>		<b>107,569</b>	<b>284,275</b>
<b>Other comprehensive income:</b>			
<b>Items that will never reclassified to profit or loss:</b>			
Remeasurements of defined benefit liability		-	-
Related tax		-	-
		-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>107,569</b>	<b>284,275</b>
<b>Profit attributable to:</b>			
Owners of the company		107,569	284,275
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the company		107,569	284,275
Basic and diluted earnings per share (kobo)	19	2	6

*The accompanying notes are an integral part of these financial statements.*

**Statement of financial position**

**At 31 March 2019**

*In thousands of Naira*

	Notes	31-Mar-19	31-Dec-18
<b>Non-current assets</b>			
Investment property	6	5,110,199	5,036,861
Property and equipment	7	22,443	20,679
Intangible assets	8	2,566	2,476
<b>Total non-current assets</b>		<b>5,135,208</b>	<b>5,060,016</b>
<b>Current assets</b>			
Trading properties	9	-	-
Investment securities	10	4,366,022	4,461,012
Trade and other receivables	11	209,997	188,968
Cash and cash equivalents	12	83,361	19,798
<b>Total current assets</b>		<b>4,659,380</b>	<b>4,669,778</b>
<b>Current liabilities</b>			
Trade and other payables	13	655,570	722,858
Current income tax payable	16(iii)	122,544	97,867
<b>Total current liabilities</b>		<b>778,114</b>	<b>820,725</b>
<b>Net current assets</b>		<b>3,881,266</b>	<b>3,849,053</b>
<b>Non current liabilities</b>			
Employee retirement benefits	15	2,209	2,374
Deferred tax liabilities	17	225,943	225,943
<b>Total non-current liabilities</b>		<b>228,152</b>	<b>228,317</b>
<b>Net assets</b>		<b>8,788,321</b>	<b>8,680,752</b>
<b>EQUITY</b>			
Issued capital	18(i)(b)	5,626,416	5,626,416
Share premium	18(c)	1,092,822	1,092,822
Other reserve	18(d)	-	-
Retained earnings		2,069,083	1,961,514
<b>Total equity</b>		<b>8,788,321</b>	<b>8,680,752</b>

The financial statements were approved by the Board of Directors on April XX, 2019 and signed on its behalf by:



\_\_\_\_\_  
Oluwatosin Osikoya (Managing Director)  
FRC No: FRC/2013/NSE/00000002333



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Oluwagbenga Adeoye (Chief Financial Officer)  
FRC No: FRC/2013/ICAN/00000002063

Additionally certified by:



\_\_\_\_\_  
Emeka Emuwa (Chairman)  
FRC No: FRC/2013/CIBN/00000001774

*The accompanying notes are an integral part of these financial statements.*

**Statement of Cash flow**  
**For the period ended 31 March 2019**  
In thousands of Naira

	Notes	31-Mar-19	31-Dec-18
<b>Operating activities</b>			
Profit/(loss) for the period		107,569	910,381
Add: taxation		24,677	49,220
		<u>132,246</u>	<u>956,601</u>
Adjustments for:			
Depreciation of property and equipment	7	2,498	9,889
Amortization of Intangible	8	258	212
Fair value gain on investment property	3	-	(6,928)
Unrealized foreign exchange gain	4	-	-
Investment income	3	(163,704)	(668,124)
Impairment loss/ (writeback) on receivables	5	-	-
Impairment loss on investment securities		-	3,243
Impairment writeback/ (Loss) on trading properties	5	-	(72,500)
Increase in provision for gratuity	14(i)	-	-
Profit on sale of property and equipment	4	-	(42)
Operating profit before changes in working capital and provisions		<u>(28,702)</u>	<u>225,351</u>
<i>Changes in working capital and provisions:</i>			
Trade and other receivables	14(ii)	(21,029)	98,706
Trading properties	14(viii)	-	459,172
Trade and other payables	14(iii)	(62,447)	(1,247,690)
		<u>(112,178)</u>	<u>(464,462)</u>
Employee benefit paid	15(i)	(165)	(53,387)
WHT and VAT paid	14(ii)	(4,841)	(14,073)
Income taxes paid	16(iii)	-	(144,443)
Net cash flows from operating activities		<u>(117,184)</u>	<u>(676,365)</u>
<b>Investing activities</b>			
Investment income received	14(v)	834	520,282
Acquisition of investment property	6	(73,338)	(78,853)
Acquisition of property and equipment	7	(4,262)	(518)
Acquisition of intangible assets	8	(347)	(2,103)
Proceeds from sale of property and equipment	14(viii)	-	63
Redemption/(Purchase) of investment securities	14(iv)	257,860	(4,254,037)
Net cash flows from investing activities		<u>180,747</u>	<u>(3,815,166)</u>
<b>Financing activities</b>			
Dividend paid	14(vi)	-	(792,075)
Net cash flows from financing activities		<u>-</u>	<u>(792,075)</u>
Cash and cash equivalents at 1 January		19,798	5,303,404
Net (decrease)/increase in cash and cash equivalents		63,563	(5,283,606)
Effect of exchange rate fluctuations on cash held	4	-	-
<b>Cash and cash equivalents at 31 March</b>	12	<u>83,361</u>	<u>19,798</u>

*The accompanying notes are an integral part of these financial statements.*

**Statement of changes in equity**  
**For the period ended 31 March 2019**  
*In thousands of Naira*

	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at 1 January 2019	5,626,416	1,092,822	-	1,961,514	8,680,752
<b>Profit for the period</b>	-	-	-	107,569	107,569
<b>Other comprehensive income for the period</b>					
Remeasurements of defined benefit liability	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	107,569	107,569
<b>Transactions with owners of the Company</b>					
Proposed dividends	-	-	-	-	-
<b>Balance at 31 March 2019</b>	5,626,416	1,092,822	-	2,069,083	8,788,321

	Share capital	Share premium	Other reserves	Retained earnings	Total
<b>Balance at 1 January 2018</b>	5,626,416	1,092,822	5,214	1,889,881	8,614,333
<b>Profit for the year</b>	-	-	-	910,381	910,381
<b>Other comprehensive income for the year</b>					
Transfer on discontinuation of gratuity scheme	-	-	(5,214)	5,214	-
<b>Total comprehensive income</b>	-	-	(5,214)	915,595	910,381
<b>Transactions with owners of the Company</b>					
Proposed dividends	-	-	-	(843,962)	-
<b>Balance at 31 December 2018</b>	5,626,416	1,092,822	-	1,961,514	8,680,752

*The accompanying notes are an integral part of these financial statements.*

**Notes to the financial statements**  
**For the period ended 31 March 2019**

**1 Revenue-sales of trading properties**

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Sales of trading properties	-	499,095
	-	499,095

**2 Cost of sales- trading properties**

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Cost of trading properties sold	-	330,133
	-	330,133

**3 Investment income**

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Investment income on treasury bills	162,870	142,768
Interest income on placements	834	56,542
	163,704	199,310

**4 Other income**

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
FX income	-	595
Professional fees	662	133
Estate agency and valuation service fee	510	-
Property management fees	8,747	6,362
Rental income	20,154	23,195
Sundry income	952	1,432
Profit on disposal of Property, Plant and Equipment	-	62
	31,025	31,779

**Notes to the financial statements**  
*For the period ended 31 March 2019*

**5 Operating expenses**

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Staff costs	36,220	28,463
Depreciation	2,500	2,822
Amortization	257	53
Professional fees	8,530	2,000
Auditor's remuneration	1,750	1,350
Directors' fees and sitting allowance	838	790
Interest and bank charges	768	3,179
Statutory fees and filing	1,000	1,000
Rent	1,750	1,750
Repairs and maintenance	2,805	2,250
Insurance	1,000	750
AGM expenses	1,000	1,000
Transportation	852	645
Telecommunication and rates	30	315
Legal fees	1,250	1,250
Stationery and subscription	682	1,047
Other operating expenses	1,253	520
	<b>62,483</b>	<b>49,184</b>

**6 Investment property**

*In thousands of Naira*

Reconciliation of fair value

	<b>Completed Investment Property</b>	<b>Investment Property Under Construction</b>	<b>Total</b>
Balance as at 1 January 2019	2,194,204	2,842,657	5,036,861
Expenditure / cost capitalised	-	73,338	73,338
Fair value gain/ (loss)	-	-	-
Balance as at 31 March 2019	2,194,204	2,915,995	5,110,199

<i>In thousands of Naira</i>	<b>Completed Investment Property</b>	<b>Investment Property Under Construction</b>	<b>Total</b>
Balance as at 1 January 2018	2,153,000	2,798,080	4,951,080
Expenditure / cost capitalised	-	78,853	78,853
Fair value gain/ (loss) (see note 8)	41,204	(34,276)	6,928
Balance as at 31 December 2018	2,194,204	2,842,657	5,036,861

Investment properties comprise a commercial property leased to third parties and properties held for capital appreciation. These properties are carried at fair value with changes recorded in profit or loss.

**Notes to the financial statements**  
**For the period ended 31 March 2019**

(i) The items of investment properties are valued as shown below:

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Investment properties location		
Corner piece Office/Banking complex at Plot 97 Adeola Odeku/ Ahmadu Bello Way, Victoria Island Lagos.	2,194,204	2,194,204
12.81 hectares of land at Plot 332, Cadastral Zone C07, off Sunny Wale Estate Road Galadima Abuja	1,248,975	1,248,975
9600 square meters of land at plot 294, Cadastral Zone B04, P.O.W Mafemi Crescent Jabi District Abuja	777,600	777,600
3200 square meters fenced bare land , Block A5, plot 5,6 and 7 Olusegun Aina Street, Park View, Extension Ikoyi Lagos.	889,420	816,082
	<b>5,110,199</b>	<b>5,036,861</b>

(ii) Measurement of fair value

(a) Fair value hierarchy

Investment property is stated at fair value and has been determined based on valuations performed by Bode Adedeji Partnership, Estate Surveyors, Valuers and Property Consultants (FRC/2013/NIESV/00000001479). They are industry specialists in valuing these types of investment properties.

The fair value is supported by market evidence and represents the amount that would be received to sell the properties in an orderly transaction between market participants at the measurement date in the principal market to which the Company has access at the date of valuation. Valuations are performed on an annual basis and the fair value gains and losses are reported in profit or loss.

The fair value measurement for the investment properties of N5.04billion has been categorised as Level 3 based on the inputs into the valuation technique used.

(b) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
The cost method of valuation and comparison method of valuation was employed in determining the current market value. The cost method of valuation reflects, the amount that would be required currently to replace the service capability of an asset . In the Comparison method of valuation, the fair values are determined by applying the direct market evidence. This valuation model reflects the current price on actual transaction for similar properties in the neighborhood in recent time. References were made to prices of land and comparable properties in the neighborhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	<ul style="list-style-type: none"> <li>- Current rent</li> <li>- Outright sale price</li> <li>- Quality of construction</li> <li>- Number of floors</li> <li>- Exact location of the property</li> <li>-Level of service and infrastructure provided</li> </ul>	The estimated fair value would increase (decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases).



Notes to the financial statements  
For the period ended 31 March 2019

7 Property and equipment

31 March 2019

	Office Equipment	Motor Vehicles	Fixtures and Fittings	Total
<i>In thousand of Naira</i>				
<b>Cost</b>				
Balance as at 1 January 2019	27,062	23,650	646	51,358
Acquisitions	4,262	-	-	4,262
Disposal	-	-	-	-
Balance at 31 March 2019	30,660	23,650	646	55,620

**Depreciation and impairment**

Balance as at 1 January 2019	12,186	17,963	530	30,680
Depreciation charge for the period	1,334	1,155	9	2,498
Disposals	-	-	-	-
Balance at 31 March 2019	13,520	19,118	539	33,178

31 December 2018

	Office Equipment	Motor Vehicles	Fixtures and Fittings	Total
<i>In thousand of Naira</i>				
<b>Cost</b>				
Balance as at 1 January 2018	34,100	23,650	3,636	61,386
Acquisitions	518	-	-	518
Disposals / write-offs	(7,556)	-	(2,990)	(10,546)
Balance at 31 December 2018	27,062	23,650	646	51,358

**Depreciation and impairment**

Balance as at 1 January 2018	14,817	13,016	3,482	31,316
Depreciation charge for the year	4,904	4,947	38	9,889
Disposals	(7,535)	-	(2,990)	(10,525)
Balance at 31 December 2018	12,186	17,963	530	30,680

**Carrying amount**

At 31 March 2019	17,140	4,532	107	22,443
At 31 December 2018	14,876	5,687	116	20,679

- (i) No leased assets are included in the above property and equipment account (31 December 2017: Nil)  
(ii) There was no impairment loss on any class of property and equipment during the period (31 December 2017: Nil)  
(iii) There was no capitalized borrowing costs related to the acquisition of property and equipment (31 December 2017 : Nil)

8 Intangible Assets

31 March 2019

	Purchased Software	Total
<i>In thousand of Naira</i>		
<b>Cost</b>		
Balance as at 1 January 2019	2,738	2,738
Acquisitions	347	347
Balance at 31 March 2019	3,085	3,085

**Amortization and impairment**

Balance as at 1 January 2019	262	262
Amortization charge for the period	258	258
Balance at 31 March 2019	519	519

31 December 2018

	Purchased Software	Work in progress	Total
<i>In thousand of Naira</i>			
<b>Cost</b>			
Balance as at 1 January 2018	635	-	635
Acquisitions	0	2,103	2,103
Balance at 31 December 2018	635	2,103	2,738

**Amortization and impairment**

Balance as at 1 January 2018	50	-	50
Amortization charge for the year	212	-	212
Balance at 31 December 2018	262	-	262

**Carrying amount**

At 31 March 2019		2,566	2,566
At 31 December 2018	373	2,103	2,476

- (i) No leased assets are included in the above intangible account (31 December 2017 : Nil)  
(ii) There was no impairment loss on any class of intangible during the period (31 December 2017 : Nil)  
(iii) There was no capitalized borrowing costs related to the acquisition of intangible assets (31 December 2017 : Nil)

**Notes to the financial statements**  
**For the period ended 31 March 2019**

**9 Trading properties**

This represents the cost of real estate apartments and land designated for resale.

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Residential apartments	-	-
Trading properties under development	-	-
	-	-

The carrying amount of Trading properties under development includes the following properties which have been fully impaired:

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Trading property - Ikorodu	18,353	18,353
Trading property - Okokomaiko [624 square metres]	6,970	6,970
Total carrying amount	25,323	25,323
Impairment allowance	(25,323)	(25,323)
	-	-

The movement in impairment allowance on trading properties was as follows:

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the year	-	72,500
Write back of impairment allowance	-	(72,500)
Balance at the end of the year	-	-

<i>In thousands of Naira</i>	<b>Completed</b>	<b>Under Construction</b>	<b>Total</b>
As at 1 January 2018	326,393	314,172	640,565
Additions	72,500	-	72,500
Disposals	(398,893)	(314,172)	(713,065)
As at 31 December 2018	-	-	-

**10 Investment securities**

(i) Investment Securities at amortised cost

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Federal Government of Nigeria Treasury bills	4,369,265	4,464,255
12 months ECL Allowance	(3,243)	(3,243)
Federal Government of Nigeria Treasury bills	4,366,022	4,461,012

## 11 Trade and other receivables

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
<i>Trade and other receivables comprise:</i>		
<b>Financial assets:</b>		
Trade debtors	101,373	104,426
Staff debtors	1,021	-
Receivables from CDL Asset Management Limited (see note (i) below)	1,042,512	1,042,512
Receivable on reclaimed Parkview land (see note (ii) below)	203,706	207,706
<i>Gross - financial assets</i>	1,348,612	1,354,644
<i>Less: Impairment allowance on financial assets (see note (iii) below)</i>	(1,193,616)	(1,193,616)
<i>Total - financial assets</i>	154,996	161,028
<b>Non-financial assets:</b>		
Prepayments	41,917	14,920
Others	-	-
Withholding tax receivable	13,084	13,020
<i>Total - non financial assets</i>	55,001	27,940
Gross trade and other receivables	1,403,613	1,382,584
Less: Impairment allowance on other assets (see note (iii) below)	(1,193,616)	(1,193,616)
	209,997	188,968

- (i) The receivable from CDL Asset Management Limited represents the outstanding balance of the company's investment with CDL Asset Management.
- (ii) Included in this amount is N128.71m which represents the sum paid to the Lagos State Ministry of Waterfront Infrastructure Development for the allocation of a plot of reclaimed land to the Company. This was reclassified from investment property because the Company may be required to make additional payment to the Ministry of Lands to obtain legal title to the land. The additional amount incurred during the year ended 31 December 2018 relates to cost of engaging professionals to process the title documents for the reclaimed land.
- (iii) The movement in impairment allowance on other assets was as follows:

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance, beginning of year	1,193,616	1,204,106
Impact of adopting IFRS 9 on 1 January 2018	-	3,053
Write off	-	-
Non-financial assets written off	-	(13,542)
Balance, end of year	1,193,616	1,193,616

### (iv) Assets impaired

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Receivables from CDL Asset Management Limited	1,190,564	1,042,512
Trade debtors	-	19,346
Receivable on reclaimed Parkview land	-	128,706
Others	-	-
	1,190,564	1,190,564

The recoverability of these amounts are in doubt; therefore the balance has been fully impaired.

## 12 Cash and cash equivalents

<i>In thousands of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	167	19,798
Money market placements	83,194	-
Cash and cash equivalents (statement of financial position)	83,361	19,798
Interest receivable on placements (See note 14 (v) )	-	-
Cash and cash equivalents for cash flow purposes*	83,361	19,798

## 13 Trade and other payables

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
<i>Trade and other payables comprise:</i>		
<b>Financial liabilities:</b>		
Deposits for properties	-	-
Due to related companies	346,183	427,977
Trade payables	5,096	16,166
Dividend payable	63,353	71,544
Other liabilities and payables	89,200	89,256
Total - financial liabilities	503,832	604,943
<b>Non-financial liabilities:</b>		
Withholding tax payable	1,741	1,321
VAT payable	2,347	2,938
Accrued expenses	42,855	33,625
Deferred rental income	104,794	80,031
Total - non financial liabilities	151,737	117,915
Total - trade and other payables	655,570	722,858

(i)

## 14 Statement of cashflow workings

### (i) Increase in provision for gratuity recognised in the profit or loss

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Service cost (see note 17(i))	-	-
Interest cost (see note 17(i))	-	-
Net periodic benefit expense/ (income) (see note 17(ii))	-	-
	-	-

### (ii) Changes in trade and other receivables

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the year	188,968	178,346
Impact of adopting IFRS 9	-	(3,053)
Impact of adopting IFRS 15		160,000
		335,293
Impairment loss/ (write back) on receivables (see note 6)	-	-
Withholding tax credit notes utilised		(47,619)
Cash outflow/inflow	21,029	(98,706)
Balance at the end of the period	209,997	188,968

**(iii) Changes in trade and other payables**

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the year	722,858	2,032,734
Impact of adopting IFRS 15 (see note 27(c))	-	(100,000)
		1,932,734
Dividend (paid) /payable (see note 15)	(8,191)	51,887
WHT and VAT paid	(4,841)	(14,073)
Cash inflow / (outflow)	(54,256)	(1,247,690)
<b>Balance at the end of the period</b>	<b>655,570</b>	<b>722,858</b>

**(iv) Changes in investment securities**

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the year	4,461,012	-
Earned discount on outstanding treasury bills	162,870	210,218
(Redemption)/ purchase of investment securities		4,254,037
12 months ECL Allowance	(257,860)	(3,243)
<b>Balance at the end of the period</b>	<b>4,366,022</b>	<b>4,461,012</b>

**(v) Investment income received**

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Interest income on current period placements (see note 4)	834	66,929
Investment income on treasury bills	-	601,195
Interest inflow on prior period placements	-	62,376
Earned discount on outstanding treasury bills	-	(210,218)
Interest receivable on placements (see note 14)	-	-
<b>Cash inflow</b>	<b>834</b>	<b>520,282</b>

**(vi) Dividend paid**

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the year	71,544	19,657
Dividend ratified for payment during the year	-	843,962
Dividend payable (see note 15)	63,353	71,544
<b>Cash outflow</b>	<b>(8,191)</b>	<b>(792,075)</b>

**(vii) Proceeds from sale of property and equipment**

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Gain on disposal of property	0	42
Cost eliminated on disposal	-	10,546
Accumulated depreciation eliminated on disposal	-	(10,525)
<b>Proceeds from sale of property and equipment</b>	<b>-</b>	<b>63</b>

**(viii) Trading properties sold**

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the period	-	640,565
Impact of adopting IFRS 15		(253,893)
		386,672

Notes to the financial statement  
For the period ended 31 March 2019

Impairment write back on trading properties	-	(72,500)
Balance at the end of the period	-	-
Cash outflow	-	459,172

Notes to the financial statement  
For the period ended 31 March 2019

## 15 Employee benefits

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Defined benefit obligation (see (i) below)	-	-
Long service award (see (ii) below)	2,209	2,374
	<u>2,209</u>	<u>2,374</u>

(i) The movement in the liability is as shown below:

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the year	-	51,947
Service cost	-	-
Interest cost	-	-
Less: Benefits paid by the employer	-	(51,947)
Actuarial gains	-	-
	<u>-</u>	<u>-</u>

(ii) Long service award

The Company operates a long service award benefits and provides qualifying employees with a flat cash reward with Ex-Gratia (expressed as a proportion of basic salary).

The movement in the liability is as shown below:

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance at the beginning of the year	2,374	3,814
Less: Benefits paid by the employer	(165)	(1,440)
Net periodic benefit gain	-	-
	<u>2,209</u>	<u>2,374</u>

Notes to the financial statement  
For the period ended 31 March 2019

**16 Taxation**

(i) Current tax expense

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Company income tax	23,135	91,278
Tertiary education tax	1,542	6,589
Charge for the year		97,867
Prior year over provision	-	(63,124)
		34,743
Deferred tax expense	-	14,477
Income tax expense	24,677	49,220
Total tax expense	24,677	49,220



Notes to the financial statement  
For the period ended 31 March 2019

(ii) Current income tax payable

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Balance, beginning of the year	97,867	253,354
Tax impact of adopting IFRS 15 (see note 27(c ))	-	1,832
		255,186
Charge for the period	24,677	97,867
Prior year over provision		(63,124)
Withholding tax credit notes utilised		(47,619)
Payments during the period	-	(144,443)
Balance, at the end of period	122,543	97,867

**17 Deferred tax assets and liabilities**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The movement in temporary differences recognised during the period is as follows:

**March 2019**

<b>Movement in deferred tax</b>	<b>Balance as at 1 January</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Balance as at 31 March</b>
Property, plant and equipment	-	-	-	3,722
Provision for gratuity	-	-	-	-
Long service award	-	-	-	(1,145)
Unrelieved losses	-	-	-	-
Investment properties	Balance as at 31	-	-	223,214
	-	166,099	-	396,518

**2018**

<b>Movement in deferred tax</b>	<b>Balance as at 1 January</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Balance as at 31 December</b>
Property and equipment	4,981	(1,259)	-	3,722
Provision for gratuity	(15,584)	15,584	-	-
Long service award	(1,145)	432	-	(713)
Impairment allowance (12 months ECL)	-	(973)	-	(973)
Investment properties	223,214	693	-	223,907
	211,466	14,477	-	225,943

(i) Deferred tax assets and liabilities are attributable to the following:

<i>In thousand of Naira</i>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
Assets:		
Property and equipment	-	-
Provision for gratuity	-	-
Long service award	165	713
Impairment allowance (12 months ECL)	973	973
Deferred tax assets	1,138	1,686

Notes to the financial statement  
For the period ended 31 March 2019

Liabilities:		
Investment properties	(225,943)	(223,907)
Property and equipment	(3,722)	(3,722)
Deferred tax liabilities	(227,081)	(227,629)
Net Deferred tax(liabilities)/assets	(225,943)	(225,943)

**Notes to the financial statements**  
**For the period ended 31 March 2019**

**18 Capital and reserves**

(i) Share capital	31-Mar-19	31-Dec-18
<i>in thousands of naira</i>		
(a) Authorised:		
6,000,000,000 units of Ordinary shares of =N=1 each (2017: 6,000,000,000 units)	6,000,000	6,000,000
(b) Issued and fully-paid:		
5,626,416,051 Ordinary shares of =N=1 each (2017: 5,626,416,051 ordinary shares of =N= 1 each)	5,626,416	5,626,416
(c) Share premium	31-Mar-19	31-Dec-18
<i>in thousands of naira</i>		
Balance, beginning of year	1,092,822	1,092,822
Balance, end of period	1,092,822	1,092,822
(d) Other reserve: Other reserve comprises of the remeasurement of employee retirement benefit recognised in the other comprehensive income		

**19 Earnings per share**

(i) Basic earnings per share  
Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	31-Mar-19	31-Mar-18
Profit attributable to shareholders of the Company (N'000)	132,246	350,867
Weighted average number of ordinary shares in issue (N'000)	5,626,416	5,626,416
Basic earnings per share (kobo)	2	6

(ii) Diluted earnings per share

Diluted earnings per ordinary share equals diluted earnings per share as there are no potential dilutive ordinary shares in issue.