



UBN Property Company Plc
Annual Report — 31 December 2017

Table of contents	Page
Corporate information	1
Directors' report	2
Statement of directors' responsibilities	5
Report of the Statutory Audit Committee	6
Independent auditor's report	7
Financial statements:	
Statement of profit or loss and other comprehensive income	11
Statement of financial position	12
Statement of cash flow	13
Statement of changes in equity	14
Notes to the financial statements	15
Other national disclosures	
Value added statement	44
Financial summary	45

Corporate Information

Company's Registration Number: RC: 476267

Directors:

Emeka Emuwa	Chairman
Oluwatosin Osikoya	Managing Director
Oyinkansade Adewale (Mrs.)	Director
Obiaku Nneze Akwiwu - Nwadike (Mrs.)	Director
Remi Kolarinwa	Independent Director
Ibrahim Kwargana*	Director

* Retired from the Board effective 31 October 2017

Secretary:

Somuyiwa A. Sonubi
FRC No: FRC/2013/NBA/00000002061
Stallion Plaza
36 Marina
Lagos

Registered Office:

Stallion Plaza
36 Marina
Lagos

Auditor:

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
Lagos

Registrar:

GTL Registrars Limited (former Union Registrars Limited)
274, Murtala Muhammed Way, Yaba, Lagos

Actuary:

EY Nigeria (formely HR Nigeria Limited)
10th & 13th floors, UBA House
Marina
Lagos
FRC/NAS/00000000738

Estate Valuer:

Bode Adedeji Partnership
15, Bishop Oluwole Street
Victoria Island
Lagos
FRC/2013/NIESV/00000001479

Banker:

Union Bank of Nigeria Plc

Directors' Report

For the year ended 31 December 2017

The directors present their annual report on the affairs of UBN Property Company Plc ("the Company"), together with the financial statements and auditor's report for the year ended 31 December, 2017.

Legal form and principal activity

The Company was incorporated in Nigeria under the Companies and Allied Matters Act as a limited liability company on 24 March, 2003 and has been in operation since then. On 11th February 2015, the Company was re-registered as a public Company limited by liability. The address of its registered office is Stallion Plaza, 36, Marina, Lagos State, Nigeria.

Principal activity

The principal activity of the Company is the development, sale and management of residential and office accommodation for corporate bodies and individuals.

Operating results

Highlights of the Company's operating results for the year are as follows:

<i>In thousands of naira</i>	31-Dec-17	31-Dec-16
Profit before tax	1,274,778	592,875
Minimum tax	-	(39,459)
Income tax expense	(261,531)	(48,990)
Profit after tax	1,013,247	504,426
Basic and diluted earnings per share (kobo)	18	9

Analysis of Shareholding

The shareholding structure of the Company is as stated below:

As at 31 December 2017

Range	No. of Holders	% of Total Holders	Units held	% of Total Holders
1- 50,000	66	25.98%	3,300,000	0.06%
50,001- 500,000	126	49.61%	21,220,452	0.38%
500,001- 5,000,000	20	7.87%	40,450,999	0.72%
5,000,001- 50,000,000	33	12.99%	814,172,000	14.47%
50,000,001- 500,000,000	7	2.76%	1,687,750,000	30.00%
500,000,001- 5,626,416,051	2	0.79%	3,059,522,600	54.38%
Grand total	254	100%	5,626,416,051	100%

As at 31 December 2016

Range	No. of Holders	% of Total Holders	Units held	% of Total Holders
1- 50,000	66	25.98%	3,300,000	0.06%
50,001- 500,000	126	49.61%	21,220,452	0.38%
500,001- 5,000,000	20	7.87%	40,450,999	0.72%
5,000,001- 50,000,000	33	12.99%	814,172,000	14.47%
50,000,001- 500,000,000	7	2.76%	1,687,750,000	30.00%
500,000,001- 5,626,416,051	2	0.79%	3,059,522,600	54.38%
Grand total	254	100%	5,626,416,051	100%

Dividend

A dividend of 15kobo per share was declared by the Board of Directors in respect of the financial year ended 31 December 2016. The Board of Directors, pursuant to the powers vested in it by the provisions of section 379 of the Companies and Allied Matters Act (CAMA) of Nigeria, proposed a final dividend of 15kobo per share from the retained earnings as at 31 December 2017. This will be presented for ratification by the shareholders at the next Annual General Meeting.

If the proposed dividend is approved by the shareholders, the Company will be liable to pay additional corporate tax estimated at N18.6 million representing the difference between the tax liability calculated at 30% of the dividend approved and the tax charge reported in the statement of profit or loss and other comprehensive income for the year ended 31 December 2017.

Directors' Report

For the year ended 31 December 2017

Directors and their interests

The directors who held office during the year are as follows:

Emeka Emuwa	Chairman
Oluwatosin Osikoya	Managing Director
Oyinkansade Adewale (Mrs.)	Director
Obiaku Nneze Akwiwu - Nwadike (Mrs.)	Director
Remi Kolarinwa	Independent Director
Ibrahim Kwargana*	Director

* Retired from the Board effective 31 October 2017

The direct interest of directors in the issued share capital of the Company as recorded in the register of directors shareholding and / or as notified by the directors for the purposes of section 275 and 276 of CAMA are as follows:

	No of ordinary shares held 31-Dec-17	No of ordinary shares held 31-Dec-16
Emeka Emuwa	Nil	Nil
Oluwatosin Osikoya	Nil	Nil
Oyinkansade Adewale (Mrs.)	Nil	Nil
Obiaku Nneze Akwiwu - Nwadike (Mrs.)	50,000,000	50,000,000
Remi Kolarinwa	Nil	Nil
Ibrahim Abubakar Kwargana*	Nil	Nil

* Retired from the Board effective 31 October 2017

No Director has notified the Company of any indirect interest in the Company's shares.

Contracts

In accordance with Section 277 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interests in contracts with the Company.

Significant shareholdings

According to the register of members, no shareholder other than the under-mentioned held at least 5% of the issued capital of the Company as at 31 December 2017:

	2017		2016	
	No of Shares	% Holding	No of shares	% Holding
Union Bank of Nigeria Plc	2,195,000,000	39.01	2,195,000,000	39.01
Union Trustees Ltd (Held on behalf of various individuals)	864,522,600	15.37	864,522,600	15.37
Union Homes Savings and Loans Plc	495,000,000	8.80	495,000,000	8.80
Ensure Insurance Plc	495,000,000	8.80	495,000,000	8.80
Others	1,576,893,451	28.03	1,576,893,451	28.03
	<u>5,626,416,051</u>	<u>100</u>	<u>5,626,416,051</u>	<u>100</u>

Property and equipment

Information relating to changes in property and equipment is given in Note 14 to the financial statements.

Donations and charitable gifts

There were no donations made during the year (2016: Nil).

Employment of disabled persons

The Company had no disabled persons in its employment during the year. However, applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of disabled persons, as far as possible, are identical with that of other employees.

Health, safety at work and welfare of employees

The Company places a high premium on the health, safety and welfare of its employees in their place of work. Medical facilities are provided to employees and their immediate families at the Company's expense.

Directors' Report

For the year ended 31 December 2017

Employees' involvement and training

The Company places considerable value on the involvement of its employees in the affairs of the Company and has a policy of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

The Company places a lot of emphasis on employee development and training. Consequently, in-house training is complemented when and where necessary with additional in-house and external training.

Subsequent events

There were no subsequent events after reporting date which could have had material effect on the state of affairs of the Company as at 31 December 2017, which have not been adequately provided for or disclosed.

Divestment of Union Bank of Nigeria Plc's interest in the Company

Union Bank of Nigeria Plc (the parent company) obtained approval from the Central Bank of Nigeria in May 2013 to carry out its plan of divesting from all its non-banking subsidiaries within 18 months from the date of approval. This was in accordance with the Central Bank of Nigeria's Regulation 3 (Regulation on the Scope of Banking Activities and Ancillary Matters, No. 3, 2010). The specified period for disposal of the Bank's interest in UBN Property Company Plc lapsed in November 2014.

The parent company is however restrained from proceeding with the divestment as a result of litigation instituted by some of the Company's shareholders in respect of the private placement conducted by the Company in 2006. Hence, the directors of the Company have suspended the divestment process until such a time as the pending litigation is resolved. This matter is not expected to have any significant impact on the entity.

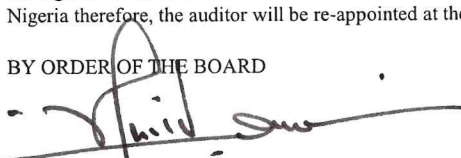
Operational risk management

Major sources of operational risk include operational process, IT security, dependence on key suppliers, fraud, human error, regulatory compliance, recruitment, training, retention of staff, and social and environmental impact. The Company has strict operational procedures in place. The compliance and risk management is monitored and reported to the Board of Directors.

Auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Company. In accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria therefore, the auditor will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD


Somuyiwa A. Sonubi
Company Secretary
7 May 2018

FRC No: FRC/2013/NBA/00000002061

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 31 December 2017.

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and Financial Reporting Council of Nigeria Act, 2011.

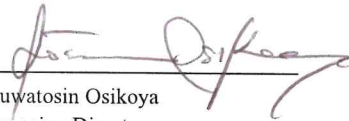
The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Emeka Emuwa
Chairman
7 May 2018
FRC No: FRC/2013/CIBN/00000001774



Oluwatosin Osikoya
Managing Director
7 May 2018
FRC No: FRC/2013/NSE/00000002333

UBN PROPERTY COMPANY PLC

Report of the Statutory Audit Committee for the Year Ended 31 December 2017

In compliance with Section 359(6) Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, we reviewed the financial statements of UBN Property Company Plc. for the year ended 31 December 2017 and hereby state as follows:

- 1 The scope and planning of the audit were adequate in our opinion;
- 2 The accounting and reporting policies of the Company conformed with the statutory requirements and agreed ethical practices;
- 3 The internal control and internal audit functions were operating effectively;
- 4 The external auditor's findings as stated in the management letter are being dealt with satisfactorily by the management; and
- 5 Related party balances and transactions have been disclosed in Note 28 to the financial statements in accordance with requirements of the International Financial Reporting Standards (IFRS) .

Dated April 26, 2018



Kamarudeen Oladosu, FCA
Chairman, Audit Committee
FRC/2013/CISN/00000005091

MEMBERS OF THE COMMITTEE**

- 1 Kamarudeen Oladosu, FCA
- 2 Oyinkansade Adewale (Mrs.)
- 3 Remi Kolarinwa
- 4 Yakubu Concern

***The committee was constituted on 31 January 2017.*



KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UBN Property Company Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UBN Property Company Plc (the Company), which comprise the statement of financial position as at 31 December, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment and Trading Properties

The Company's portfolio of properties comprise investment properties and trading properties located in Nigeria. The Company's investment properties are stated at fair value. The fair value of trading properties is considered in assessing the carrying amount of these trading properties at each reporting period.

KPMG Professional Services, a Partnership established under Nigeria law, is a member of KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Registered in Nigeria No BN 986925

Partners:

Abiola F. Bada	Adebisi O. Lamikanra	Adekunle A. Elebute	Adetola P. Adeyemi
Adewale K. Ajayi	Ajibola O. Olomola	Ayobami L. Salami	Ayodele H. Othihiwa
Ayodele A. Soyinka	Chibuzor N. Anyanechi	Ehile A. Aibangbee	Goodluck C. Obi
Ibitomi M. Adepoju	Ijeoma T. Emezie-Ezigbo	Joseph O. Tegbe	Kabir O. Okunlola
Lawrence C. Amadi	Mohammed M. Adama	Nneka C. Eluma	Oguntayo I. Ogungbenro
Oladapo R. Okubadejo	Oladimeji I. Salaudeen	Olanike I. James	Olumide O. Olayinka
Olusegun A. Sowande	Oluwafemi O. Awotoye	Oluwatoyin A. Gbagi	Termitope A. Onitiri
Tolulope A. Odukale	Victor U. Onyenkpa		



The Company uses external professional valuers to determine the fair value of its investment and trading properties. The valuation of the Company's properties require the use of valuation techniques which involve significant assumptions and are dependent on a range of estimates made by the external valuers engaged by the Company. Such assumptions as used in the valuations include market rents, occupancy, yield and replacement cost etc.

The valuation of investment and trading properties is a key audit matter due to the significant assumptions and judgment associated with the valuation and their overall financial significance of the properties to the Company's financial statements.

Procedures

Our procedures included the following, amongst others:

- We assessed the control over the Company's process for determining the fair value of properties by checking that the company engaged an external valuer to determine the value of its properties on a periodic basis.
- We evaluated the competence, capabilities and objectivity of the external valuer engaged by the Company by checking that they possess requisite skills and experience to carry out valuation as stipulated by valuation regulations.
- We obtained an understanding of the valuation process and techniques adopted by the valuer, to assess whether they are consistent with industry norms, by discussing with the external valuer.
- We challenged the assumptions used by the external valuer by:
 - ✓ Assessing whether the valuation techniques used by the valuers are in line with the standard procedures that would be followed by an independent valuer in determining the fair value of a property. .
 - ✓ Evaluating the reasonableness of the significant assumptions by reference to benchmark market data and also assessing the reliability of property related data used by the client's valuers.
 - ✓ Comparing observable inputs used in the valuation techniques such as market rents, occupancy, yield etc with publicly available market data of similar properties and our knowledge of the real estate industry

We assessed the reasonableness of the overall fair value determined by the valuer, by comparing them to recent market prices for comparable properties.

The Company's accounting policy and related disclosures on investment and trading properties are shown in Note 3.2 (d), 3.2 (e), 13 and 16.

Other Information

The Directors are responsible for the other information which comprises the Director's report, Statement of Directors Responsibilities, Report of the Statutory Audit Committee and Other national disclosure, but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Audit Committee 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.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period 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

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:

Ayodele H Othihiwa, FCA
FRC/2012/ICAN/00000000425
For: KPMG Professional Services
Chartered Accountants
16 May 2018
Lagos, Nigeria



Statement of profit or loss and other comprehensive income

For the year ended 31 December 2017

In thousands of Naira

	Notes	31-Dec-17	31-Dec-16
Revenue- sales of trading properties	6	531,500	1,029,000
Cost of sales- trading properties	7	(468,456)	(1,168,500)
Profit/ (Loss) from sale of trading properties		63,044	(139,500)
Fair valuation gain on investment property	8	199,647	382,652
Investment income	9	682,730	386,540
Other income	10	344,664	162,443
Other operating income		1,227,041	931,635
Impairment writeback on assets	11	259,806	11,671
Operating expenses	12	(275,114)	(210,931)
Total expenses		(15,308)	(199,260)
Profit before minimum tax and income tax		1,274,778	592,875
Minimum tax	23(i)	-	(39,459)
Income tax expense	23(i)	(261,531)	(48,990)
Profit for the year		1,013,247	504,426
Other comprehensive income:			
Items that will never reclassified to profit or loss:			
Remeasurements of defined benefit liability	22(i)	-	(10,338)
Related tax		-	3,101
		-	(7,237)
Other comprehensive income for the year		-	(7,237)
Total comprehensive income for the year		1,013,247	497,189
Profit attributable to:			
Owners of the company		1,013,247	504,426
Total comprehensive income/(loss) attributable to:			
Owners of the company		1,013,247	497,189
Basic and diluted earnings per share (kobo)	27	18	9

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

Statement of financial position

As at 31 December 2017

In thousands of Naira

	Notes	31-Dec-17	31-Dec-16
Non-current assets			
Investment property	13	4,951,080	4,730,000
Property and equipment	14	30,070	19,681
Intangible assets	15	585	-
Total non-current assets		4,981,735	4,749,681
Current assets			
Trading properties	16	640,565	835,672
Investment securities	17	-	2,870,544
Trade and other receivables	18	178,346	127,327
Cash and cash equivalents	19	5,365,780	1,490,931
Total current assets		6,184,691	5,324,474
Current liabilities			
Trade and other payables	20	2,032,734	2,111,570
Current income tax payable	23(iii)	253,354	164,852
Total current liabilities		2,286,088	2,276,422
Net current assets		3,898,603	3,048,052
Non current liabilities			
Employee retirement benefits	22	55,761	47,240
Deferred tax liabilities	24	211,466	150,629
Total non-current liabilities		267,227	197,869
Net assets		8,613,111	7,599,864
EQUITY			
Issued share capital	26(i)(b)	5,626,416	5,626,416
Share premium	26(c)	1,092,822	1,092,822
Other reserve	26(d)	5,214	5,214
Retained earnings		1,888,659	875,412
Total equity		8,613,111	7,599,864

The financial statements were approved by the Board of Directors on 7 May 2018 and signed on its behalf by:



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



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

Additionally certified by:



Ruth Adesida (Ag. Chief Financial Officer)
FRC No: FRC/2018/ICAN/00000018258

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

Statement of Cash flow
For the year ended 31 December 2017
In thousands of Naira

	Notes	31-Dec-17	31-Dec-16
Operating activities			
Profit for the year		1,013,247	504,426
Add: taxation		261,531	88,449
		1,274,778	592,875
Adjustments for:			
Depreciation of property and equipment	12	11,180	8,373
Amortization of Intangible	12	50	-
Fair value gain on investment property	8	(199,647)	(382,652)
Unrealized foreign exchange gain	10	(987)	(2,098)
Investment income	9	(682,730)	(386,540)
Impairment loss/ (writeback) on receivables	11	13,542	(11,671)
Impairment (writeback)/ Loss on trading properties	16	(273,349)	72,057
Increase in provision for gratuity	21(i)	13,137	9,085
Profit on sale of property and equipment	10	(759)	-
Operating profit before changes in working capital and provisions		155,215	(100,571)
<i>Changes in working capital and provisions:</i>			
Trade and other receivables	21(ii)	(64,561)	(55,368)
Trading properties	21(viii)	468,456	1,112,316
Trade and other payables	21 (iii)	625,132	(89,080)
		1,184,242	867,297
Employee benefit paid	22(i)	(4,616)	(4,687)
WHT and VAT paid	21(iii)	(25,236)	(8,161)
Income taxes paid	23(iii)	(112,193)	(20,490)
Net cash flows from operating activities		1,042,197	833,959
Investing activities			
Investment income received	21(v)	495,829	256,974
Acquisition of investment property	13	(21,433)	(80,185)
Acquisition of property and equipment	14	(22,605)	(19,164)
Acquisition of intangible assets	15	(635)	-
Proceeds from sale of property and equipment	20(vii)	1,796	-
Redemption/(Purchase) of investment securities	21(iv)	3,022,700	(2,700,037)
Net cash flows from investing activities		3,475,652	(2,542,412)
Financing activities			
Dividend paid	21(vi)	(678,732)	(314,366)
Net cash flows from financing activities		(678,732)	(314,366)
Cash and cash equivalents at 1 January		1,463,300	3,484,021
Net (decrease)/increase in cash and cash equivalents		3,839,117	(2,022,819)
Effect of exchange rate fluctuations on cash held	10	(987)	(2,098)
Cash and cash equivalents at 31 December	19	5,303,404	1,463,300

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

Statement of changes in equity
For the year ended 31 December 2017
In thousands of Naira

	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at 1 January 2017	5,626,416	1,092,822	5,214	875,412	7,599,864
Profit for the year	-	-	-	1,013,247	1,013,247
Other comprehensive income for the year					
Remeasurements of defined benefit liability	-	-	-	-	-
Total comprehensive income	-	-	-	1,013,247	1,013,247
Transactions with owners of the Company					
Dividends	-	-	-	-	-
Balance at 31 December 2017	5,626,416	1,092,822	5,214	1,888,659	8,613,111

	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at 1 January 2016	5,626,416	1,092,822	12,451	1,383,741	8,115,430
Profit for the year	-	-	-	504,426	504,426
Other comprehensive income for the year					
Remeasurements of defined benefit liability	-	-	(7,237)	-	(7,237)
Total comprehensive income	-	-	(7,237)	504,426	497,189
Transactions with owners of the Company					
Dividends	-	-	-	(1,012,755)	(1,012,755)
Balance at 31 December 2016	5,626,416	1,092,822	5,214	875,412	7,599,864

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

Notes to the financial statements
For the year ended 31 December 2017

1 Reporting entity

UBN Property Company Plc ('the Company') was incorporated in Nigeria under the Companies and Allied Matters Act as a limited liability company on 24 March 2003. On 11 February 2015, the Company was re-registered as a public limited liability Company. The address of its registered office is 36 Marina, Lagos, Nigeria.

The Company is involved in the development, sale and management of residential and office accommodation for corporate bodies and individuals. The Company is a subsidiary of Union Bank of Nigeria Plc.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements comply with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011. The accounting policies have been consistently applied to all periods presented. The financial statements for the year ended 31 December 2017 were authorised for issue by the Company's Board of Directors on 7 May 2018.

(b) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

(c) Basis of measurement

These financial statements are prepared on the historical cost basis except for investment properties measured at fair value, financial asset and liability measured at amortised cost, employee benefit liabilities are recognised at the present value of the defined benefit obligation and trading properties are measured at the lower of cost and net realisable value.

Trade receivables, other assets, trade payable and other payable are measured at amortised cost.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS 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 expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in note 5.

3 Changes in accounting policies

3.1 Except as stated below, the Company has consistently applied the accounting policies set out in Note 3.2 to all periods presented in these financial statements.

The Company adopted the following amendments in the preparation of these financial statements, however, the amendments did not have any material impact on the financial statements.

- (i) Disclosure initiative (Amendments to IAS 7)
- (ii) Recognition of deferred tax asset for unrealised losses (Amendments to IAS 12)
- (iii) Annual improvement to IFRSs 2014-2016 cycle (Amendments to IFRS 12 Disclosure interest in other entities)

3.2 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Notes to the financial statements

For the year ended 31 December 2017

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in statement of profit or loss in the period in which they arise except for Exchange differences related to the differences between fair value and amortised cost basis for available for sale securities.

(b) Property and equipment

(i) Recognition and measurement

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the assets are completed and ready for use. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated lives. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

Depreciation is recognised in profit or loss.

The estimated useful lives for the current and comparative period are as follows:

Office equipment	5 years
Furniture and fittings	5 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(iv) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(c) Intangible assets

(i) Recognition and measurement

Intangibles are carried at cost less accumulated depreciation and impairment losses. Subsequent expenditure of intangible assets are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(ii) Subsequent costs

The cost of replacing part of an item of software is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of Software are recognised in profit or loss as incurred.

(iii) Amortization

Amortization is recognized in the profit or loss on a straight line basis over the estimated useful life of the software, from the date that it is available for use since this most reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years.

The amortization methods, useful lives and residual values are reviewed at each financial year-end if appropriate.

(iv) De-recognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized.

(d) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Land held under operating leases is classified and accounted for by the Company as investment property when the rest of the definition of investment property is met.

Notes to the financial statements

For the year ended 31 December 2017

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 with any change therein recognised in profit or loss. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets.

Valuations are performed as of the reporting 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 fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

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 Company 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. Investment properties are derecognised when they have been disposed.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to trading properties. A property's deemed cost for subsequent accounting as trading properties is its fair value at the date of change in use.

(e) Trading properties

Trading properties (inventory) are measured at the lower of cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make sale. Trading properties under construction are treated as work-in-progress are measured at cost.

(f) Financial instruments

(i) Initial recognition and measurement

Financial instruments includes all financial assets and liabilities. These instruments are typically held for liquidity or investment purposes. All financial instruments are initially recognised at fair value plus directly attributable transaction costs, except those carried at fair value through profit or loss where transaction costs are recognised immediately in profit or loss.

Financial instruments are recognised (derecognised) on the date that the Company commits to purchase (sell) the instruments (trade date accounting).

(ii) Subsequent measurement

Subsequent to initial recognition, financial instruments are measured either at fair value or amortised cost, depending on their classifications as follows:

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale. Receivables arising from contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables. Financial assets classified as loans and receivables include cash and cash equivalents and trade and other receivables.

Loans and receivables financial assets are carried at amortised cost using the effective interest method less any impairment losses with changes in amortised cost recognised in the income statement.

- Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortized cost, using the Effective Interest Rate, less impairment. The Effective Interest Rate amortization is included in 'interest income' in the income statement. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

- Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to the need for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Financial assets classified as available for sale includes equity instruments.

Notes to the financial statements

For the year ended 31 December 2017

Available-for-sale financial assets are subsequently measured at fair value. Unrealised gains or losses are recognised directly in the fair value reserve until the financial asset is derecognised or impaired. When debt (equity) instruments are disposed of, the cumulative fair value adjustments in OCI are reclassified to profit or loss.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Company's right to receive payments is established.

- Financial liabilities at amortised cost

The Company classifies its financial liabilities as measured at amortised cost. Financial liabilities of the Company include trade and other payables.

(iii) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market for the asset or liability to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the entity measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(iv) Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains and losses arising from a group of similar transactions.

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the balance sheet. In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognizes the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset

(g) Impairment of assets

(i) Financial assets carried at amortised cost

The Company 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 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 have 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 Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Notes to the financial statements

For the year ended 31 December 2017

If there is objective evidence that an impairment loss has been incurred on loans and receivables, 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 been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Company's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

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 improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the profit or loss.

(ii) Assets classified as available for sale

Available-for-sale financial assets are impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the balance sheet date, that have an impact on the future cash flows of the asset. In addition, an available-for-sale equity instrument is generally considered impaired if a significant or prolonged decline in the fair value of the instrument below its cost has occurred. Where an available-for-sale asset, which has been remeasured to fair value directly through equity, is impaired, the impairment loss is recognised in profit or loss. If any loss on the financial asset was previously recognised directly in equity as a reduction in fair value, the cumulative net loss that had been recognised in equity is transferred to profit or loss and is recognised as part of the impairment loss. The amount of the loss recognised in profit or loss is the difference between the acquisition cost and the current fair value, less any previously recognised impairment loss.

If, in a subsequent period, the amount relating to an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised in the income statement, where the instrument is a debt instrument, the impairment loss is reversed through profit or loss. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through profit or loss but accounted for directly in equity.

(iii) Impairment of other non-financial assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 had been recognised. Reversals of impairment losses are recognised in profit or loss.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of its short term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(i) Share capital

Incremental costs directly attributable to the issue of equity instruments, net effect of any tax effects, are recognised as a deduction from equity.

(j) Dividend on ordinary share

Dividends on the Company's ordinary shares are debited to equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

(k) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the financial statements

For the year ended 31 December 2017

(l) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In which case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

The Company is subject to the Companies Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely Company income tax (based on taxable income (or loss) for the year; and Minimum tax (determined based on the sum of the highest of 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets and 0.125% of revenue in excess of N500,000). Taxes based on taxable profit for the period are treated as current income tax in line with IAS 12; whereas taxes which is based on gross amounts is outside the scope of IAS 12 and therefore are not treated as current income tax.

Where the minimum tax is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above income tax line as minimum tax.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill (arising in a business combination) or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to offset current tax liabilities against current tax assets, and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the Company; or on different taxable entities but they intend to settle current tax liabilities and current tax assets on a net basis; or the tax assets and liabilities will be realized simultaneously.

(m) Employee benefits

(i) Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amount. Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the periods during which related services are rendered. Currently employees and the Company contribute 10% and 12.5% respectively of the qualifying employee salary in line with the provisions of the Pension Reform Act 2014.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reduction in future contributions to the plan.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

When the calculation above results in a benefit to the Company, the recognised asset is limited to the net total of any cumulative unrecognised actuarial losses and past service costs and the present value of any economic benefit available in the form of any refunds from the plan or reductions in future contribution to the plan. An economic benefit is available to the Company if it is realisable during the life of the plan or on settlement of the plan liabilities.

Notes to the financial statements

For the year ended 31 December 2017

(ii) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefit as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(n) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

i) Restructuring

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

ii) Onerous contract

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payments is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment excluding taxes or duty.

Sale of trading properties

Revenue from the sale of trading properties is recognised by the entity;

- when the significant risks and rewards of ownership have been transferred to the buyer;
- all managerial responsibilities and control are completely devolved to the customer
- where the costs and income on sale can be measured reliably.
- all significant performance obligations have been met.

The risks and the rewards of ownership are transferred to the buyer when the title to the property is transferred.

Rental Income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Service and management charge

Revenue from services rendered (such as project and development management) is recognized in the statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

Investment income

Investment income comprises interest income earned on short-term deposits and income earned on trading of securities including all realised and unrealised fair value changes, interest, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Notes to the financial statements

For the year ended 31 December 2017

Other income

Other income represents income generated from sources other than rental income, sale of trading properties, services fees and dividend. It includes income realized from legal fees charged by the company on the sale of real estate products to third party customers. Income is recognized when the right to receive income is established.

(p) New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not effective for the period under review. The Company is yet to carry out an assessment to determine the impact that the initial application of this amendment could have on its business; however the Company plans to adopt these standards at their respective effective dates.

(i) IFRS 15 Revenue from Contracts with customers

The standard replaces IAS 11 construction contract, IAS 18 revenue, IFRIC 13 Customer loyalty programmes, IFRIC 15 agreement for the construction of real estate, IFRIC 18 transfer of assets from customers and SIC-31 revenue-barter of transactions involving advertising services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Company has assessed the estimated impact that the initial application of IFRS 15 will have on the financial statement. The total estimated adjustment (net of tax) to the opening balance of the Company's equity as at 1 January 2018 is N125.93 million. The principal components of the estimated adjustments are as follows:

- An increase of N118.23 million in retained earnings due to the earlier recognition of revenue and some associated cost from the sale of trading properties under construction.
- An increase of N7.7 million in retained earnings due to the earlier recognition of revenue from the sale of trading properties (residential apartments)

(ii) IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Financial instruments in the books of the Company comprises of cash and cash equivalent, trade and other receivables and trade and other payables. The Company has carried out an assessment to determine the impact that the initial application of IFRS 9 could have on its business and has determined that the standard will not have any significant impact on its business as at 1 January 2018 because, the financial instruments in the books are short term instruments. The Company will adopt the standard for the year ending 31 December 2018.

(iii) Transfers of Investment Property (Amendment to IAS 40)

The IASB has amended the requirement in IAS 40 investment property on when a Company should transfer a property asset to, or from, investment property. The amendment states that a transfer is made when and only when there is a change in use -i.e an asset ceases to meet the definition of investment property and there is evidence of change in use. A change in management intention alone does not support a transfer. A company has a choice on transition to apply :

- a) the prospective approach -i.e apply the amendment to transfers that occur after the date of initial application and also reassess the classification of property asset held at that date or
- b) the retrospective approach-i.e apply the amendments retrospectively, but only if it does not involve the use of hindsight.

The Company has carried out an assessment to determine the impact of this standard on its business and has determined that the standard will not have any significant impact on its business as at 1 January 2018. The Company will adopt the amendments for the year ending 31 December 2018.

(iv) IFRS 16 Leases.

IFRS 16 was published in January 2016. It sets out the principle of recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e.the customer ('Lessee') and the supplier ('Lessor').IFRS 16 replaces the previous lease standard, IAS 17,Leases, and related interpretations .IFRS 16 includes a single model for lessees which will result in almost all leases being included in the statement of financial position. No significant changes have been included for lessors. IFRS 16 also includes extensive new disclosure requirement for both lesees and lessors. IFRS 16 also includes extensive new disclosure requirements for both lesees and lessors . The Company is yet to carry out an assessment to determine the impact that the initial application of IFRS 16 could have on its business; however, the Company will adopt the standard for the year ending 31 December 2019.

Notes to the financial statements
For the year ended 31 December 2017

4 Financial Instruments

Financial risk management

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limit and control, and to monitor risks and adherence to limit. The risk management policies are reviewed regularly to reflect changes in the market condition and in the Company's activities.

4.1 Credit Risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit from its leasing activities, trade and other receivables and deposits with banks and other financial institutions.

The Company has no significant concentration of credit risk as money market transactions are limited to financial institutions with good credit rating. Other counterparties that are small and medium enterprises and individuals who have no formal credit rating. The Company ensures that the primary source of repayment must be from an identifiable cash flow.

A financial asset is past due and in arrears when a counterparty has failed to make a payment when contractually due and contractual obligations are in arrears.

The Company's maximum exposure to credit risk is as follows:

In thousands of naira	Cash and cash equivalents		Other receivables (excluding prepayment & WHT)		Investment securities	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Carrying amount	5,365,780	1,490,931	109,619	55,145	-	2,870,544
<i>Assets at amortised cost</i>						
Neither past due nor impaired	5,365,780	1,490,931	109,619	55,145	-	2,870,544
Impaired	-	-	1,204,106	1,190,564	-	-
Gross amount	5,365,780	1,490,931	1,313,725	1,245,709	-	2,870,544
Allowance for impairment (Specific)	-	-	(1,204,106)	(1,190,564)	-	-
Carrying amount	5,365,780	1,490,931	109,619	55,145	-	2,870,544

Notes to the financial statements
For the year ended 31 December 2017

4.2 Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either its daily operations or its financial condition. Sufficiency of liquidity is of critical importance to financial institutions.

The Company monitors its risk to a shortage of funds by using a daily cash management process. This process considers the maturity of both the Company's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans, and overdrafts over a broad spread of maturities.

The following table shows the undiscounted cash flows on the Company's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow).

Residual contractual maturities of financial assets and liabilities

31 December 2017	Note	Carrying amount	Gross nominal inflow	Less than 3 month	3 - 6 months	6 - 12 months	1 - 2 years
<i>In thousands of naira</i>							
<i>Non-derivative assets:</i>							
Investment securities	17	-	-	-	-	-	-
Trade and other receivables (Financial assets)	18	109,619	109,619	109,619	-	-	-
Cash and cash equivalents	19	5,365,780	5,365,780	5,365,780	-	-	-
Total assets held for managing liquidity risk		5,475,399	5,475,399	5,475,399	-	-	-
<i>Non-derivative liabilities</i>							
Trade and other payables (Financial Liabilities)	20	1,754,557	1,754,557	1,754,557	-	-	-
		1,754,557	1,754,557	1,754,557	-	-	-
Gap (asset - liabilities)		3,720,842	3,720,842	3,720,842	-	-	-
Cumulative liquidity gap			3,720,842	3,720,842	3,720,842	3,720,842	3,720,842

31 December 2016	Note	Carrying amount	Gross nominal inflow / (outflow)	Less than 3 month	3 - 6 months	6 - 12 months	1-2years
<i>In thousands of naira</i>							
<i>Non-derivative assets:</i>							
Investment securities	16	2,870,544	3,022,700	-	3,022,700	-	-
Trade and other receivables (Financial assets)	17	55,145	55,145	55,145	-	-	-
Cash and cash equivalents	18	1,490,931	1,490,931	1,490,931	-	-	-
Total assets held for managing liquidity risk		4,416,620	4,568,776	1,546,076	3,022,700	-	-
<i>Non-derivative liabilities</i>							
Trade and other payables (Financial Liabilities)	20	1,965,395	1,965,395	1,795,676	-	-	-
		1,965,395	1,965,395	1,795,676	-	-	-
Gap (asset - liabilities)		2,451,225	2,603,381	(419,319)	3,022,700	-	-
Cumulative liquidity gap			2,603,381	(419,319)	2,603,381	2,603,381	2,603,381

Notes to the financial statements
For the year ended 31 December 2017

4.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rate and equity prices will adversely affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Market risk mainly arises from the Company's money market instruments such as Treasury Bills and Term Deposits.

4.3.1 Interest rate risk

Interest Rate risk is the risk of loss to interest income arising from changes in interest rates. The Company's exposure to the risk of changes in market interest rates arises primarily from the Company's investments in fixed interest securities. The Company's policy is to manage its interest cost using a mix of fixed and variable rate financial instruments to generate the desired interest rate profile and to manage its exposure to interest rate fluctuations.

The table below shows the analysis of the Company's sensitivity to impact of changes in interest rate on financial instruments which are exposed to interest rate risk as at 31 December 2017:

31 December 2017
Sensitivity analysis

<i>In thousands of Naira</i>	Carrying Value	Interest rate shock			
		1%	2%	-1%	-2%
Cash and cash equivalents	5,298,510	52,985	105,970	(52,985)	(105,970)
	5,298,510	52,985	105,970	(52,985)	(105,970)

31 December 2016
Sensitivity analysis

<i>In thousands of Naira</i>	Carrying Value	Interest rate shock			
		1%	2%	-1%	-2%
Cash and cash equivalents	1,476,425	14,764	29,529	(14,764)	(29,529)
Investment securities	2,870,544	28,705	57,411	(28,705)	(57,411)
	4,346,969	43,470	86,939	(43,470)	(86,939)

4.3.2 Exchange rate exposure

The Company is exposed to changes of current holdings and future cash flows denominated in other currencies. Instruments that are exposed to this risk include; foreign currency denominated bank balances.

The table below summarises the Company's exposure to foreign currency exchange rate risk as at 31 December 2017, and 31 December 2016.

Included in the table are the Company's assets and liabilities at carrying amounts, categorised by currency.

Foreign currency concentrations risk

The table below summaries the Company's assets and liabilities at carrying amount and the foreign currency amount reported in the

31 December 2017

<i>In thousands of naira</i>	Total	Naira	US Dollar	Euro
Cash and cash equivalents	5,365,780	5,359,488	1,870	4,423
Total financial assets	5,365,780	5,359,488	1,870	4,423

31 December 2016

<i>In thousands of naira</i>	Total	Naira	US Dollar	Euro
Cash and cash equivalents	1,490,931	1,485,627	1,720	3,584
Total financial assets	1,490,931	1,485,627	1,720	3,584

Notes to the financial statements

For the year ended 31 December 2017

4 Financial assets and liabilities

Accounting classification and measurement basis

The table below sets out the Company's classification of each class of financial assets and liabilities. The fair value is consistently representative of the carrying amount.

	Note	Held-to-Maturity	Loans and receivables	Other financial liabilities	Total carrying amount
31 December 2017					
<i>In thousands of naira</i>					
Trade and other receivables (Financial assets)	18	-	109,619	-	109,619
Cash and cash equivalents	19	-	5,365,780	-	5,365,780
		-	5,475,399	-	5,475,399
Trade and other payables	20	-	-	1,754,557	1,754,557
		-	-	1,754,557	1,754,557
31 December 2016					
Investment securities	16	2,870,544	-	-	2,870,544
Trade and other receivables (Financial assets)	17	-	55,145	-	55,145
Cash and cash equivalents	18	-	1,490,931	-	1,490,931
		2,870,544	1,546,076	-	4,416,620
Trade and other payables (Financial liabilities)	20	-	-	1,965,395	1,965,395
		-	-	1,965,395	1,965,395

The fair value of the financial assets and liabilities above approximates their carrying amount.

Notes to the financial statements
For the year ended 31 December 2017

5 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is disclosed below.

These disclosures supplement the commentary on financial risk management (see note 4).

(i) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3.2(f).

- Investment property

Investment property is measured at fair value in line with the Company's accounting policy disclosed in note 3.2(d).

The Company's investment properties is valued at each reporting date by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

Management reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are also held with the independent valuers to:

'- verify all major inputs to the independent valuation report;

'- assesses property valuation movements when compared to the prior year valuation report.

- Estimation of net-realizable value for trading properties

- Trading properties

Trading properties are stated at the lower of cost and net realisable value (NRV).

NRV for trading property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

(ii) Impairment

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 3(g).

(iii) Depreciation and carrying value of property and equipment

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

(iv) Determination of impairment of property and equipment

Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of physical deterioration, technological obsolescence.

(v) Income taxes

Significant estimates are required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Valuation of financial instruments

The Company's accounting policy on fair value measurements is discussed under note 3.2(f)

The Company measures fair values using the following hierarchy of methods.

(a) Level 1: Quoted market price in an active market for an identical instrument.

(b) Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

(c) Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Financial assets for which fair value could not be reliably determined and which have been carried at cost are included in this category.

Notes to the financial statements
For the year ended 31 December 2017

(vii) Valuation of post-employment benefit obligation

The cost and the present value of gratuity plan and the long service award are determined periodically. The valuation involves making assumptions about discount rates, future salary increase and expected years in employment. The valuation of defined benefit obligations is highly sensitive to changes in the underlying assumptions. All assumptions are reviewed at each reporting date.

The valuation of the gratuity and long service awards scheme was carried out by Ernst&Young Nigeria (Consultants Actuaries) for each period reported in the financial statement, using the Projected Unit Credit (PUC) method to establish the value of the accrued liabilities.

6 Revenue-sales of trading properties

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Sales of trading properties	531,500	1,029,000
	531,500	1,029,000

7 Cost of sales- trading properties

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Cost of trading properties sold	520,071	1,116,885
(Reversal of write down)/Write down in value of trading properties	(51,615)	51,615
	468,456	1,168,500

8 Fair value gain on investment property

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Gain on fair valuation of investment property (see note 13)	199,647	382,652

9 Investment income

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Investment income on treasury bills	152,156	170,507
Interest income on placements	530,574	216,033
	682,730	386,540

10 Other income

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Foreign exchange revaluation gain	987	2,098
Professional fees	6,725	-
Estate agency and valuation service fee	7,284	2,760
Property management fees	43,259	72,977
Rental income	92,781	77,722
Sundry income	7,796	6,886
Profit on disposal of property and equipment	759	-
Provision no longer required	174,034	-
Others	11,039	-
	344,664	162,443

Notes to the financial statements
For the year ended 31 December 2017

11 Impairment loss / (Writeback) on assets

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Loss/(writeback) on receivables	13,542	(11,671)
Impairment write back of trading properties (Mambilla estate foreshore)	(273,348)	-
	(259,806)	(11,671)

12 Operating expenses

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Staff costs (see note 25 (ii))	128,012	102,329
Depreciation	11,180	8,372
Amortization	50	-
Professional fees	13,848	6,158
Auditor's remuneration	5,400	4,500
Directors' fees and sitting allowance (See note 25(i))	24,362	23,320
Interest and bank charges	2,355	6,079
Statutory fees and filing	4,006	21,904
Rent	9,871	8,767
Repairs and maintenance	4,380	3,327
Insurance	2,612	3,433
AGM expenses	2,713	4,208
Transportation	2,784	3,528
Industrial Training Fund levy	2,000	2,000
Telecommunication and rates	5,472	2,851
Legal fees	7,382	-
Technical management fees	15,564	-
Withholding tax expense	9,228	-
Stationery and subscription	1,660	2,087
Other operating expenses	22,235	8,068
	275,114	210,931

13 Investment property

In thousands of Naira
Reconciliation of fair value

	Completed Investment Property	Investment Property Under Construction	Total
Balance as at 1 January 2017	2,100,000	2,630,000	4,730,000
Expenditure / cost capitalised	17,995	3,438	21,433
Fair value gain/ (loss) (see note 8)	35,005	164,642	199,647
Balance as at 31 December 2017	2,153,000	2,798,080	4,951,080

	Completed Investment Property	Investment Property Under Construction	Total
Investment property			
Balance as at 1 January 2016	2,003,000	2,264,163	4,267,163
Expenditure / cost capitalised	50,110	30,075	80,185
Fair value gain/ (loss)	46,890	335,762	382,652
Balance as at 31 December 2016	2,100,000	2,630,000	4,730,000

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 year ended 31 December 2017

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

Investment properties location

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Corner piece Office/Banking complex at Plot 97 Adeola Odeku/ Ahmadu Bello Way, Victoria Island Lagos.	2,153,000	2,100,000
12.81 hectares of land at Plot 332, Cadastral Zone C07, off Sunny Wale Estate Road Galadima Abuja	1,230,000	1,170,000
9,600 square meters of land at plot 294, Cadastral Zone B04, P.O.W Mafemi Crescent Jabi District Abuja	768,000	740,000
3,200 square meters fenced bare land , Block A5, plot 5,6 and 7 Olusegun Aina Street, Park View, Extension Ikoyi Lagos.	800,080	720,000
	4,951,080	4,730,000

(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/NIGSV/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 N4.95billion 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.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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.	- Current rent - Outright sale price - Quality of construction - Number of floors - Exact location of the property -Level of service and infrastructure provided	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 year ended 31 December 2017

14 Property and equipment

31 December 2017

	Office Equipment	Motor Vehicles	Fixtures and Fittings	Total
<i>In thousand of Naira</i>				
Cost				
Balance as at 1 January 2017	21,239	43,895	3,536	68,670
Acquisitions	22,505	-	100	22,605
Disposal	(9,644)	(20,245)	-	(29,889)
Balance at 31 December 2017	34,100	23,650	3,636	61,386

Depreciation and impairment

Balance as at 1 January 2017	18,453	27,086	3,450	48,990
Depreciation charge for the year	4,973	6,175	32	11,180
Disposals	(8,609)	(20,245)	-	(28,854)
Balance at 31 December 2017	14,817	13,016	3,483	31,316

31 December 2016

	Office Equipment	Motor Vehicles	Fixtures and Fittings	Total
<i>In thousand of Naira</i>				
Cost				
Balance as at 1 January 2016	20,576	25,395	3,536	49,507
Acquisitions	664	18,500	-	19,164
Balance at 31 December 2016	21,239	43,895	3,536	68,671

Depreciation and impairment

Balance as at 1 January 2016	15,359	21,827	3,431	40,617
Depreciation charge for the year	3,094	5,259	19	8,373
Balance at 31 December 2016	18,453	27,086	3,450	48,990

Carrying amount

At 31 December 2017	19,283	10,634	153	30,070
At 31 December 2016	2,786	16,809	86	19,681

- (i) No leased assets are included in the above property and equipment account (31 December 2016 : Nil)
(ii) There was no impairment loss on any class of property and equipment during the year (31 December 2016 : Nil)
(iii) There was no capitalized borrowing costs related to the acquisition of property and equipment (31 December 2016 : Nil)

15 Intangible Assets

	Purchased Software	Total
<i>In thousand of Naira</i>		
Cost		
Balance as at 1 January 2017	-	-
Acquisitions	635	635
Balance at 31 December 2017	635	635
Amortization and impairment		
Balance as at 1 January 2017	-	-
Amortization charge for the year	50	50
Balance at 31 December 2017	50	50
Carrying amount		
At 31 December 2017	585	585
At 31 December 2016	-	-

- (i) No leased assets are included in the above intangible account (31 December 2016 : Nil)
(ii) There was no impairment loss on any class of intangible during the year (31 December 2016 : Nil)
(iii) There was no capitalised borrowing costs related to the acquisition of intangible assets (31 December 2016 : Nil)

Notes to the financial statements
For the year ended 31 December 2017

16 Trading properties

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

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Residential apartments (See (i) below)	326,393	521,500
Trading properties under development (See (ii) below)	314,172	314,172
	640,565	835,672

<i>In thousands of Naira</i>		31-Dec-17	31-Dec-16
Category	Description		
(i) Residential apartments (gross)	* This represents cost of the carrying value for 4 units of Mambilla apartments including the 2 defective units (2016: 8 units including 2 defective units) at Mambilla Estate, Osborne Foreshore Phase I, Ikoyi, Lagos.	398,893	867,349
	Impairment allowance on residential apartments	(72,500)	(345,849)
	Carrying value of residential apartment	326,393	521,500
(ii) Trading properties under development	* This represents cost incurred to date on construction of residential apartments on a 3,155 square meters of land at No 13 Ilabere, Ikoyi Avenue Ikoyi Lagos.	314,172	314,172
Total - trading properties		640,565	835,672

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

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	345,849	345,849
Write back of impairment allowance	(273,349)	-
Balance at the end of the year	72,500	345,849

<i>In thousands of Naira</i>	Completed	Under Construction	Total
As at 1 January 2017	521,500	314,172	835,672
Impairment write back on Mambilla Foreshore	273,349	-	273,349
Disposals	(468,456)	-	(468,456)
As at 31 December 2017	326,393	314,172	640,565

<i>In thousands of Naira</i>	Completed	Under Construction	Total
As at 1 January 2016	1,689,999	330,046	2,020,045
Additions	-	4,569	4,569
Disposals	(1,116,885)	-	(1,116,885)
Write down	(51,614)	(20,443)	(72,057)
As at 31 December 2016	521,500	314,172	835,672

UBN Property Company Limited has joint venture with Union Bank of Nigeria Plc. With respect to this, the Company signed a Memorandum of Understanding (MOU) detailing the guiding principles. The joint venture is in respect of trading properties located at Ilabere Street, Ikoyi, Lagos State. The carrying value of these properties as at 31 December 2017 was N314.17m (2016: N314.17m). The terms of the agreement are as follows:

- The value of the land shall represent the equity contribution for the Bank;
- The cost of constructing the building and any statutory payments required by law shall form the equity contribution of UPCL
- UPCL would market the properties developed after due consultation with the Bank;
- The prices would be determined by the property market situation which would be agreed;
- The minimum deposit to be paid by each prospective purchaser shall be determined on a case by case basis, approved per project;
- All deposits and payments made in respect of the properties are to be lodged into a designated project account with Union Bank of Nigeria Plc with both parties as joint signatories, pending the delivery of the housing units or the serviced plots of land;
- When UPCL is the Project Manager, Consultant, Quantity Surveyor, Structural, Electrical/ Mechanical Engineer, they shall be entitled to appropriate professional fees based on a scale pre approved by both parties; and
- Each project shall have an agreed time frame for completion.

17 Investment securities

(i) Held to Maturity Investment Securities

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Federal Government of Nigeria Treasury bills	-	2,870,544

Notes to the financial statements
For the year ended 31 December 2017

18 Trade and other receivables

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
<i>Trade and other receivables comprise:</i>		
Financial assets:		
Trade debtors	66,817	73,451
Staff debtors	542	1,040
Receivables from CDL Asset Management Limited (see note (i) below)	1,042,512	1,042,512
Reclassified from investment property (see note (ii) below)	203,854	128,706
Total - financial assets	1,313,725	1,245,709
Non-financial assets:		
Prepayments	7,566	12,750
Others	13,542	-
Withholding tax receivable	47,619	59,432
Total - non financial assets	68,727	72,182
Gross trade and other receivables	1,382,452	1,317,891
Less: Impairment allowance on other assets (see note (iii) below)	(1,204,106)	(1,190,564)
	178,346	127,327

- (i) The receivable from CDL Asset Management Limited represents the outstanding balance of the Company's investment with CDL Asset Management.
- (ii) This amount 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 2017 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>	31-Dec-17	31-Dec-16
Balance, beginning of year	1,190,564	1,202,235
Charge for the year	13,542	20,775
Allowance no longer required	-	(32,446)
Balance, end of year	1,204,106	1,190,564

- (iv) Assets impaired

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
Receivables from CDL Asset Management Limited	1,042,512	1,042,512
Trade debtors	19,346	19,346
Reclassified from other investment property	128,706	128,706
Others	13,542	-
	1,204,106	1,190,564

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

19 Cash and cash equivalents

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	67,270	14,506
Money market placements	5,298,510	1,476,425
Cash and cash equivalents (statement of financial position)	5,365,780	1,490,931
Interest receivable on placements (See note 21 (iv))	(62,376)	(27,631)
Cash and cash equivalents for cash flow purposes*	5,303,404	1,463,300

Notes to the financial statements
For the year ended 31 December 2017

20 Trade and other payables

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
<i>Trade and other payables comprise:</i>		
Financial liabilities:		
Deposits for properties	930,414	239,209
Due to related companies (see note (a) below)	404,189	501,934
Trade payables	298,241	196,895
Dividend payable	19,657	698,389
Other liabilities and payables	102,056	159,249
Total - financial liabilities	1,754,557	1,795,676
Non-financial liabilities:		
Withholding tax payable	76,905	38,467
VAT payable	86,486	93,985
Accrued expenses	6,876	169,719
Deferred rental income	107,910	13,723
Total - non financial liabilities	278,177	315,894
Total - trade and other payables	2,032,734	2,111,570

(a) Amount due to related companies includes N324.5million (2016: N422.2million) which are funds received on behalf of Union Bank of Nigeria Plc for properties managed or sold by UBN Property Company Plc.

21 Statement of cashflow workings

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

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Service cost (see note 22(i))	6,603	4,467
Interest cost (see note 22(i))	6,757	3,316
Net periodic benefit expense/ (income) (see note 22(ii))	(223)	1,302
	13,137	9,085

(ii) Changes in trade and other receivables

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	127,327	60,288
Impairment loss/ (write back) on receivables (see note 11)	(13,542)	11,671
Cash outflow	64,561	55,368
Balance at the end of the year	178,346	127,327

(iii) Changes in trade and other payables

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	2,111,570	1,510,422
Dividend (paid) /payable (see note 20)	(678,732)	698,389
WHT and VAT paid	(25,236)	(8,161)
Cash inflow / (outflow)	625,132	(89,080)
Balance at the end of the year	2,032,734	2,111,570

(iv) Changes in investment securities

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	2,870,544	-
Earned discount on outstanding treasury bills	152,156	170,507
(Redemption)/ purchase of investment securities	(3,022,700)	2,700,037
Balance at the end of the year	-	2,870,544

Notes to the financial statements
For the year ended 31 December 2017

(v) Investment income received

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Interest income on current year placements (see note 9)	530,574	216,033
Interest inflow on prior year placements	27,631	68,572
Interest receivable on placements (see note 19)	(62,376)	(27,631)
Cash inflow	495,829	256,974

(vi) Dividend paid

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	698,389	1,012,755
Dividend payable (see note 20)	19,657	698,389
Cash outflow	(678,732)	(314,366)

(vii) Proceeds from sale of property and equipment

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Gain on disposal of property	759	-
Cost eliminated on disposal	29,893	-
Accumulated depreciation eliminated on disposal	(28,856)	-
Proceeds from sale of property and equipment	1,796	-

(viii) Trading properties sold

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	835,672	2,020,045
Impairment write back /(Loss) on trading properties	(273,349)	72,057
Balance at the end of the year	640,565	835,672
Cash outflow	468,456	1,112,316

Notes to the financial statements
For the year ended 31 December 2017

22 Employee benefits

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Defined benefit obligation (see (i) below)	51,947	43,203
Long service award (see (ii) below)	3,814	4,037
	55,761	47,240

(i) Defined benefit obligation

The Company operates a defined benefit scheme where qualifying employees receive a lump sum payment based on the number of years served and gross salary in the year of retirement. As at 31 December 2017, the defined benefit scheme was discontinued therefore the actuarial valuation was prepared on the discontinuance basis.

The actuarial valuation of the Company's gratuity liability as at 31 December 2017 was carried out by Ernst & Young Nigeria (Consultants & Actuaries (FRC/NAS/00000000738)). The valuation was done using the Projected Unit Cost Method.

The basis of determining the benefit due to an employee is as stated below:

- (a) 5 years of service: 70% of gross annual emolument on the year of exit.
- (b) 6 years to 9 years of service: base of 70% of gross annual emolument and an additional 5% for each extra year after the 5th year.
- (c) 10 years of service and above: base of 125% of gross annual emolument and an additional 10% for each extra year after the 10th year.

The movement in the liability is as shown below:

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	43,203	29,769
Service cost	6,603	4,467
Interest cost	6,757	3,316
Less: Benefits paid by the employer	(4,616)	(4,687)
Actuarial gains	-	10,338
	51,947	43,203

The principal actuarial assumptions used were as follows:

	31-Dec-17	31-Dec-16
Discount rate	N/A	16%
Inflation rate	N/A	12%
Future salary increase	N/A	13%
Average liability duration	N/A	8.34 years

(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>	31-Dec-17	31-Dec-16
Balance at the beginning of the year	4,037	2,735
Net periodic benefit gain	(223)	1,302
	3,814	4,037

Notes to the financial statements
For the year ended 31 December 2017

The principal actuarial assumptions used were as follows:

	31-Dec-17	31-Dec-16
Discount rate	14%	16%
Inflation rate	12%	12%
Future salary increase	13%	13%
Average liability duration	5.33 years	6.23 years

23 Taxation

(i) Current tax expense

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Minimum tax	-	39,459
Company income tax	234,572	-
Tertiary education tax	18,784	759
Prior year over provision	(52,661)	-
Deferred tax expense	60,837	48,231
Income tax expense	261,531	48,990
Total tax expense	261,531	88,450

(ii) Reconciliation of effective tax rate

<i>In thousand of Naira</i>	31-Dec-17		31-Dec-16	
Profit/ (loss) before tax		1,274,778		592,875
Tax credit using the Company's domestic tax rate	30%	382,433	30%	177,863
Non-deductible expenses	0%	2,789	0%	2,415
Non-taxable income	-7%	(89,814)	-22%	(132,046)
Minimum tax	0%	-	7%	39,459
Tertiary education tax	1%	18,784	0%	759
Prior year over provision	-4%	(52,661)	0%	-
	25%	261,531	15%	88,450

(iii) Current income tax payable

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Balance, beginning of the year	164,852	145,124
Charge for the year	253,356	40,218
Prior year over provision	(52,661)	-
Payments during the year	(112,193)	(20,490)
Balance, at the end of year	253,354	164,852

24 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.

Notes to the financial statements
For the year ended 31 December 2017

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

2017

Movement in deferred tax	Balance as at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 December
Property, plant and equipment	(18,207)	23,188	-	4,981
Provision for gratuity	(12,961)	(2,623)	-	(15,584)
Long service award	(1,211)	66	-	(1,145)
Unrelieved losses	(20,241)	20,241	-	-
Investment properties	203,249	19,965	-	223,214
	150,629	60,837	-	211,466

2016

Movement in deferred tax	Balance as at 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31 December
Property and equipment	(17,987)	(220)	-	(18,207)
Provision for gratuity	(8,932)	(928)	(3,101)	(12,961)
Long service award	(820)	(391)	-	(1,211)
Unrelieved losses	(31,746)	11,505	-	(20,241)
Investment properties	164,984	38,265	-	203,249
	105,499	48,231	(3,101)	150,629

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

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Assets:		
Property and equipment	(4,981)	18,207
Provision for gratuity	15,584	12,961
Long service award	1,145	1,211
Unrelieved losses	-	20,241
Deferred tax assets	11,748	52,620
Liabilities:		
Investment properties	(223,214)	(203,249)
Deferred tax liabilities	(223,214)	(203,249)
Net Deferred tax(liabilities)/assets	(211,466)	(150,629)

Notes to the financial statements
For the year ended 31 December 2017

25 Particulars of directors and employees

<i>In thousands of Naira</i>	31-Dec-17	31-Dec-16
i) Directors' remuneration		
Fees and sitting allowances	3,362	2,320
Executive compensation	21,000	21,000
	24,362	23,320

Fees and other emoluments disclosed above include amounts paid to:

The chairman	-	-
The highest paid director	21,000	21,000

The number of directors who received fees and other emoluments (excluding pension contributions, certain benefits and reimbursable expenses) in the following ranges was:

N650,000 - N1,000,000	4	2
N1,000,000 - N2,000,000	-	-
Above 2,000,000	-	-
	4	2

ii) Staff numbers and costs

The number of employees (excluding directors) who received emoluments in the following ranges were:

	31-Dec-17	31-Dec-16
N1,400,000 -N2,400,000	7	9
N2,400,001- and above	8	8
	15	17

Compensation for staff :

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
Salaries and wages	93,124	78,904
Other staff cost	11,324	4,415
Retirement benefits:		
- Gratuity and long service award	13,137	9,085
- Pension cost	10,427	9,925
	128,012	102,329

Notes to the financial statements
For the year ended 31 December 2017

26 Capital and reserves

(i) Share capital

	31-Dec-17	31-Dec-16
<i>in thousands of naira</i>		
(a) Authorised: 6,000,000,000 units of Ordinary shares of =N=1 each (2016: 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 (2016: 5,626,416,051 ordinary shares of =N= 1 each)	5,626,416	5,626,416

(c) Share premium

	31-Dec-17	31-Dec-16
<i>in thousands of naira</i>		
Balance, beginning of year	1,092,822	1,092,822
Balance, end of year	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.

27 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 year.

	31-Dec-17	31-Dec-16
Profit attributable to shareholders of the Company (N'000)	1,013,247	504,426
Weighted average number of ordinary shares in issue (N'000)	5,626,416	5,626,416
Basic earnings per share (kobo)	18	9

(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.

Notes to the financial statements
For the year ended 31 December 2017

28 Related party transactions

A number of transactions were entered into with related parties in the normal course of business. These include deposits, placements and property management transactions. The details of related-party transactions, outstanding balances at the year-end were as follows:

(i) Parent and ultimate controlling company

The Company is a subsidiary of Union Bank of Nigeria Plc. There are other companies that are related to UBN Property Company Plc through common shareholdings.

(ii) Transactions with key management personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management personnel includes close members of family of key personnel and any entity over which key management personnel exercises control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Company.

Key management personnel compensation for the year comprises:

	31-Dec-17	31-Dec-16
	₦ million	₦ million
Directors' remuneration		
Fees and allowances	3,362	2,320
Executive compensation	21,000	21,000
	24,362	23,320

(iii) Other related party transactions

Year end balances arising from related party transactions were as follows:

<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
(a) Bank Balances		
Placement with Union Bank of Nigeria Plc	5,298,510	1,476,425
Bank balance with Union Bank of Nigeria Plc	67,270	14,506
	5,365,780	1,490,931
(b) Payables to related parties		
Union Bank of Nigeria Plc (see note 19(a))	404,189	501,934
Dividend payable to Union Bank of Nigeria Plc	-	395,100
	404,189	897,034
<i>In thousand of Naira</i>	31-Dec-17	31-Dec-16
(c) Income from related parties:		
Professional fees-Project management fee	6,725	-
Management fee from Union Bank of Nigeria Plc	7,400	15,255
Rental income from Union Bank of Nigeria Plc	14,760	17,220
Interest income from deposits with Union Bank of Nigeria Plc	530,573	216,033
	559,458	248,508

29 Contingent liabilities, litigation and claims

Legal Risk

This is the risk that the Company would be exposed to legal actions arising from misinterpretation of contracts and from non-application of laws and regulations in day-to-day operations. To mitigate this risk, the Company's Legal and Compliance function ensures that operations are carried out within legal and regulatory guidelines.

Notes to the financial statements
For the year ended 31 December 2017

- (i) The Company is a defendant in three suits three (3) suits. The claimants' claims are for the sum of N777million. These litigations are being contested by the Company. The directors having sought professional legal counsel are of the opinion that no significant liability will crystallize from these litigations. Of the three (3) suits against the Company, one (1) was brought against the Company by some of its minority shareholders with respect to the private placement done by the Company in 2006.

30 Capital commitments

The Company had no outstanding capital commitments (2016: Nil) as at the reporting date.

Other National Disclosures

Other National Disclosures: Value Added Statement
For the year ended 31 December 2017

<i>In thousands of naira</i>	<u>31-Dec-17</u>	%	<u>31-Dec-16</u>	%
Gross earnings	1,758,541		1,960,635	
Bought-in-materials and services				
-Local	(604,328)		(1,268,730)	
Impairment writeback / loss on assets	259,806		11,671	
Value added	1,414,020	100	703,576	100
Distribution of value added:				
To employees				
Salaries, wages and benefits	128,012	9%	102,329	15%
To government				
Taxation	261,531	18%	88,449	13%
Retained in the business:				
Depreciation	11,180	1%	8,372	1%
Amortization	50	0%	-	0%
Profit for the year	1,013,247	72%	504,426	72%
	1,414,020	100%	703,576	100%

Other National Disclosures: Financial Summary
For the year ended 31 December 2017

	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013
<i>In thousand of naira</i>					
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Total Income	1,274,778	592,875	648,827	1,180,783	2,172,492
Profit/(loss) before taxation	1,274,778	592,875	316,387	(393,907)	298,616
Taxation	(261,531)	(88,449)	(146,500)	(41,836)	-
Profit/(loss) after taxation	1,013,247	504,426	169,887	(435,743)	298,616
Other comprehensive income/(loss)	-	(7,237)	5,152	(275,391)	285,818
Total other comprehensive income/(loss)	1,013,247	497,189	175,039	(711,134)	584,434
STATEMENT OF FINANCIAL POSITION					
Non-current assets					
Property and equipment	30,070	19,681	8,890	18,017	21,987
Intangible assets	585	-	-	-	-
Investment properties	4,951,080	4,730,000	4,267,163	4,205,000	4,485,000
Investment securities	-	-	-	-	1,085,818
	4,981,735	4,749,681	4,276,053	4,223,017	5,592,805
Current assets					
Trading properties	640,565	835,672	2,020,045	2,169,855	2,816,530
Investment securities	-	2,870,544	-	-	-
Trade and other receivables	178,346	127,327	60,288	1,069,923	77,934
Cash and cash equivalents	5,365,780	1,490,931	3,552,593	1,761,489	1,458,359
	6,184,691	5,324,474	5,632,926	5,001,267	4,352,823
Current liabilities					
Trade and other payables	2,032,734	2,111,570	1,510,422	1,150,369	879,474
Current income tax payable	253,354	164,852	145,124	97,269	56,637
	2,286,088	2,276,422	1,655,546	1,247,638	936,111
Net current assets	3,898,603	3,048,052	3,977,380	3,753,629	3,416,712
Total assets less current liabilities	8,880,338	7,797,733	8,253,433	7,976,646	9,009,517
Non-current liabilities					
Employee retirement benefits	55,761	47,240	32,504	31,609	45,097
Deferred tax liabilities	211,466	150,629	105,499	4,646	503
	267,227	197,869	138,003	36,255	45,600
Net assets	8,613,111	7,599,864	8,115,430	7,940,391	8,963,917
Capital & reserves					
Share capital	5,626,416	5,626,416	5,626,416	5,626,416	5,626,416
Share premium	1,092,822	1,092,822	1,092,822	1,092,822	1,092,822
Fair value reserve	-	-	-	-	285,818
Other reserves	5,214	5,214	12,451	10,427	-
Retained earnings	1,888,659	875,412	1,383,741	1,210,726	1,958,861
Shareholders' funds	8,613,111	7,599,864	8,115,430	7,940,391	8,963,917