UBN Property Company Limited

Financial Statements – 31 December 2013
Together with Directors' and Auditor's Reports

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CORPORATE INFORMATION

COMPANY'S REGISTRATION NUMBER:	*RC: 476267*
DIRECTORS:	
Emeka Emuwa	*Chairman*
Oluwatosin Osikoya	*Managing Director*
Oyinkan Adewale	*Director*
Ibrahim Kwargana	*Director*
Pearl Kanu	*Director*
SECRETARY:	Somuyiwa A. Sonubi *Stallion Plaza,* *36 Marina* *Lagos*
REGISTERED OFFICE:	*36 Marina* *Lagos*
AUDITOR:	KPMG Professional Services *KPMG Tower* *Bishop Aboyade Cole Street* *Victoria Island, Lagos*
REGISTRAR:	Union Registrars Limited *2, Burma Road, Apapa* *Lagos, Nigeria*
ACTUARY:	HR Nigeria Limited *7th Floor, AIICO Plaza, Afribank Street,* *Victoria Island, Lagos* *FRC/NAS/00000000738*
ESTATE VALUER:	Bode Adedeji Partnership *15, Bishop Oluwole Street* *Victoria Island, Lagos* *FRC/2012/00000000279*
BANKER:	Union Bank of Nigeria Plc *Union Homes Savings and Loans Plc*

DIRECTORS' REPORT
For the year ended 31 December 2013

The directors present their annual report on the affairs of UBN Property Company Limited *("the Company")*, together with the financial statements and auditor's report for the year ended 31 December, 2013.

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. 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 accomodation for corporate bodies and individuals.

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

	31 Dec. 2013	31 Dec. 2012
In thousands of naira		
Revenue	2,172,492	1,768,472
Profit before tax	298,616	216,680
Taxation	—	—
Profit after tax	298,616	216,680

Directors and their interests
The directors who held office during the year are as follows:

Emeka Emuwa	Chairman	
Oluwatosin Osikoya	Managing Director	
Ibrahim Kwargana	Director	
Pearl Kanu	Director	*Appointed on 19th September 2013*
Oyinkan Adewale	Director	
Jacob Orimoloye	Director	*Resigned with effect from 20th May 2013*

None of the directors held any shares in the Company during the year.

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 2013:

	2013		2012	
	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 Homes Savings and Loans Plc	495,000,000	8.80	495,000,000	8.80
Union Assurance Company Limited	495,000,000	8.80	495,000,000	8.80

Property and equipment
Information relating to changes in property and equipment is given in Note 12 to the financial statements.

Donations and charitable gifts
There were no donations made during the year (2012: Nil):

Employees

(a) 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.

(b) 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.

(c) 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 training from educational institutions.

Events after the reporting date
There were no events after the reporting date which could have had material effect on the financial statements of the Company as at 31 December 2013.

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 2013 to carry out its plan of divesting from all its non-banking subsidiaries within 18 months from the date of approval. This is in accordance with the Central Bank of Nigeria's Regulation 3 *(regulation on the Scope of Banking Activities and Anciliary Matters, No. 3, 2010).* As a result, the parent company put processes in place to comply with this directive within the specified period. As at 31 December 2013, no investor had indicated an interest in acquiring the bank's interest in the Company.

Auditors
KPMG Professional Services have indicated their willingness to continue in office as auditors. In accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria, a resolution will be proposed at the Annual General Meeting to authorise the directors to determine their remuneration.

BY ORDER OF THE BOARD

Somuyiwa A. Sonubi
Company Secretary
21 March 2014
FRC No: FRC/2013/NBA/00000002061

Statement of Directors' Responsibilities in Relation to the Financial Statements for the year ended 31 December 2013

The directors accept responsibility for the preparation of the annual financial statements set out on pages 8 to 38 that give a true and fair view in accordance with the International Financial Reporting Standards *(IFRS)* and in the manner required by the Companies and Allied Matters Act of Nigeria *(CAMA)* and the Financial Reporting Council of Act of Nigeria *(FRC).*

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria 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.

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
21 March 2014
FRC No: FRC/2013/CIBN/00000001774

Oluwatosin Osikoya
Managing Director/CEO
21 March 2014
FRC No:FRC/2013/NSE/00000002333

KPMG

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INDEPENDENT AUDITOR'S REPORT

To the Members of UBN Property Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of UBN Property Company Limited ("the Company"), which comprise the statement of financial position as at 31 December, 2013, and the statement of 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 8 to 38.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of 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 of Nigeria 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of UBN Property Company ("the Company") as at 31 December 2013, and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

Report on Other Legal and Regulatory Requirements

Compliance with the Requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

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 comprehensive income are in agreement with the books of account.

Signed:

Akinyemi J. Ashade, ACA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
03 December 2014
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A147519

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

(All amounts in thousands of Naira unless otherwise stated)

	Notes	31 Dec. 2013	31 Dec. 2012
Revenue	7	2,172,492	1,768,472
Cost of sales	8	(1,377,205)	(1,340,935)
Gross profit		795,287	427,537
Administrative expenses	9(i)	(202,083)	(175,866)
Impairment loss on assets	9(ii)	(1,156,934)	(244,582)
Other income	10	207,492	209,591
		(356,238)	216,680
Fair valuation gains on investment property	11	654,854	—
Profit before taxation		298,616	216,680
Taxation	19(a)	—	—
Other comprehensive income:			
Items that are or may be reclassified to profit or loss:			
Fair value gain on available for sale financial assets		285,818	—
Total other comprehensive income		584,434	216,680
Profit attributable to:			
Equity holders		298,616	216,680
Total comprehensive income attributable to:			
Equity holders		584,434	216,680
Basic earning per share (kobo)	21	5.3	3.9
Diluted earnings per share (kobo)	21	5.3	3.9

The notes on pages 12 to 38 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts in thousands of Naira unless otherwise stated)

	Notes	31 Dec. 2013	31 Dec. 2012
Non-current assets			
Investment property	11	4,485,000	3,803,870
Property and equipment	12	21,987	26,185
Investment securities	14	1,085,818	800,000
		5,592,805	4,630,055
Current assets			
Trading properties	13	2,816,530	4,272,020
Trade and other receivables	15	77,934	108,209
Cash and cash equivalents	16(a)	1,459,585	1,765,966
		4,354,049	6,146,195
Current liabilities			
Bank overdraft		1,226	1,906
Trade and other payables	17	879,474	2,297,828
Current income tax payable	19(b)	56,637	56,637
		937,337	2,356,371
Net current assets		3,416,712	3,789,824
Non current liabilities			
Employee retirement benefits	18	45,097	39,893
Deferred tax liabilities	19(c)	503	503
		45,600	40,396
Net assets		**8,963,917**	**8,379,483**
EQUITY			
Share capital	20(a)	5,626,416	5,626,416
Share premium	20(b)	1,092,822	1,092,822
Fair value reserve	20(c)	285,818	—
Retained earnings	20(d)	1,958,861	1,660,245
Total equity		**8,963,917**	**8,379,483**

These financial statements were approved by the Board of Directors on 21 March 2014 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:

Grace Ntiashagwu *(Financial controller)*
FRC No:FRC/2013/ICAN/00000001484

The notes on pages 12 to 38 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(All amounts in thousands of Naira unless otherwise stated)

	Share capital	Share premium	Fair value reserve	Retained earnings	Total
Balance at 1 January 2013	5,626,416	1,092,822	—	1,660,245	8,379,483
Total comprehensive income for the year					
Profit for the year	—	—	—	298,616	298,616
Other comprehensive income					
Fair value gains on available for sale financial assets	—	—	285,818	—	285,818
Total other comprehensive income	—	—	285,818	—	285,818
Total comprehensive income for the year	—	—	285,818	298,616	584,434
Balance at 31 December 2013	5,626,416	1,092,822	285,818	1,958,861	8,963,917

	Share capital	Share premium	Fair value reserve	Retained earnings	Total
Balance at 1 January 2012	5,626,416	1,092,822	—	1,443,565	8,162,803
Total comprehensive income for the year					
Profit for the year	—	—	—	216,680	216,680
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year	—	—	—	216,680	216,680
Transactions with equity holders, recorded					
Balance at 31 December 2012	**5,626,416**	**1,092,822**	**—**	**1,660,245**	**8,379,483**

The notes on pages 12 to 38 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts in thousands of Naira unless otherwise stated)

	Notes	31 Dec. 2013	31 Dec. 2012
Profit after tax		298,616	216,680
Add: taxation		—	—
Profit before taxation		298,616	216,680
Adjustments for:			
Depreciation	12	9,333	8,068
Fair value gains on investment property	11	(654,854)	—
Gain on sale of property and equipment		(2,714)	—
Impairment on receivables		—	1,124
Interest expense	9(i)	10,715	7,544
Interest income	10	(202,154)	(140,967)
Impairment loss on other assets	9(ii)	6,287	—
Impairment on placements	9(ii)	1,062,512	—
Impairment on trading properties	9(ii)	88,135	243,458
Increase in provision for gratuity	18(b)	6,019	2,562
Operating profit before changes in working capital and provisions		621,895	338,469
Changes in:			
Trade and other receivables		(1,038,524)	27,156
Trading properties		1,367,355	1,045,114
Trade and other payables		(1,418,354)	486,097
Employee retirement benefit	18(b)	(815)	—
Cash generated from the operations		(1,090,338)	1,558,367
Interest income	10	202,154	140,967
Net cash flows from operating activities		(266,289)	2,037,803
Investing activities			
Acquisition of property and equipment	12	(11,084)	(19,094)
Proceeds from sale of property, plant and equipment		8,663	—
Acquisition of investment property	11	(26,276)	(17,850)
Net cash flows from investing activities		(28,697)	(36,944)
Financing activities			
Interest expense	9(i)	(10,715)	(7,544)
Repayment of borrowings		—	(415,744)
Net cash flows from financing activities		(10,715)	(423,288)
Cash and cash equivalents at 1 January		1,764,060	186,489
Net increase/(decrease) in cash and cash equivalents		(305,701)	1,577,571
Cash and cash equivalents at 31 December	16(b)	**1,458,359**	**1,764,060**

The notes on pages 12 to 38 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

1 Reporting entity

UBN Property Company Limited ('the Company') was incorporated in Nigeria under the Companies and Allied Matters Act as a limited liability company on 24 March 2003. 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 accomodation for corporate bodies and individuals. The Company is a subsidiary of Union Bank of Nigeria Plc.

2. Summary of significant accounting policies

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They were authorised for issue by the Company's Board of Directors on 21 March, 2014.

(b) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional and presentation currency. Except where 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 and employee benefit liabilities are recognised as the present value of the defined benefit obligation.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 significant areas of estimation uncertainty and critical judgements 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

Except for the changes 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 has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

a. IFRS 11 (Joint arrangements)

This IFRS supersedes IAS 31 (Interests in Joint ventures). It applies to all entities who are parties to a joint arrangement. The IFRS defines joint arrangement as an arrangement where two or more parties have joint control. Unlike IAS 31 (which had 3 forms of joint venture), IFRS

11 classifies joint arrangements into 2 broad categories namely: Joint operations and joint venture. All joint operations are to be measured in accordance with the applicable IFRSs to the assets and liabilities of the joint operation. On the other hand, joint ventures are to be accounted for using the equity method. The Company has joint operations with Union Bank of Nigeria Plc. (the parent company). Additional disclosures have been made in Notes 7, 8 and 13. However, this IFRS does not have adverse impact on the operations of the Company.

b. IFRS 12 (Disclosure of interests in other entities)
This IFRS requires entities to disclose the nature of their interest in other entities that will enable users to evaluate the nature of, and risks associated with its interest in other entities and the effect of those interests on its financial position, financial performance and its cashflow. Such shall include the nature of its interest in joint arrangement with other entities and the financial effects of its interests in such arrangements. This IFRS applies to the Company to the extent that it has joint arrangements with other entities as stated in Note 3.1(b) above.

c. IFRS 13 (Fair value measurement).
In accordance with the transitional provisions of IFRS 13, the Company applied the new definition of fair value, as set out in Note 3.2(e). The change had no significant impact on the measurement of the Company's assets and liabilities.

d. Amendments to IFRS 7 (Offsetting financial assets and financial liabilities)
The amendments to IFRS 7 require additional disclosures about offsetting financial assets and financial liabilities. This does not apply to the Company as the Company does not offset financial assets and financial liabilities.

e. Amendments to IAS 19 (Employee benefits)
"The amended IAS 19 (2011) requires an entity who has defined benefits plan to determine the present value of the defined benefit plan as at the reporting date and in doing so, the entity shall apply the projected unit cost method to measure its obligations and cost. In complying with this, the entity engaged the services the HR Nigeria Limited to carry out actuarial valuation on all its defined benefit plans as at 31 December 2013."

3.2 Significant accounting policies

Except for the changes explained in Note 3.1, 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 recorded at the rate of exchange on the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, as well as unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognized in the profit or loss.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value. For a non-monetary financial asset held for trading and for non-monetary financial assets designated at fair value through profit or loss, unrealized exchange differences are recognized in the income statement. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded directly in equity until the asset is sold or becomes impaired.

(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.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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	4 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) Investment properties
Properties held primarily for generating income or capital appreciation or both are classified as investment property.

Investment properties comprise leasehold land and buildings. They are carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are reviewed annually by an independent valuation expert. Investment property for which the fair value cannot be reliably determined are measured at cost.

Changes in fair values are recorded in the profit or loss.
Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields .The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition.

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

If an item of property and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

(d) Trading properties

Trading properties are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost to completion and the estimated cost to sell. The cost of trading properties is determined on the basis of specific identification of the individual cost of properties. All costs directly associated with the purchase and construction of a trading property, and all subsequent capital expenditure for development qualify as acquisition costs.

(e) Financial instruments

The Company classifies its financial assets into the following categories: loans and receivables and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

Classification

(i) 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.

(ii) 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.

Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value with changes in fair value recognised in other comprehensive income. Loans and receivables financial assets are carried at amortised cost using the effective interest method with changes in amortised cost recognised in the profit or loss.

Changes in the fair value of monetary and non-monetary investments classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as net realised gains or losses on financial assets.

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.

Fair value measurement
Policy applicable from 1 January 2013
Fair value is a price that will 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 or, in its absence, the most advantageous market to which the Company has access as at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using a 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 maximizes the use of relevant observable market inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price-i.e. the fair value of the consideration given or received. If the group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on valuation technique that uses only data from observable markets, then the financial instrument ins initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Policy applicable before 1 January 2013
Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. When applicable, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Company has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes a third-party market participant would take them into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets.

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 such as in the Company's trading activity.

(f) 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. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becomes probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

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.

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 and 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 income statement.

(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.

(g) 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. 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.

(h) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

(i) Dividend on ordinary share

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

(j) 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.

(k) Borrowings

Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(l) Current and deferred income 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 this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income 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 income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income.

(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 staff's salary in line with the provisions of the Pension Reform Act 2004.

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.

(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.

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.

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

Rental Income
Rental income from investment property leased out under operating lease is recognised in the income statement 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.

Sale of trading properties
Revenue from the sale of trading properties is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. The risks and the rewards of ownership are transferred to the buyer when the title to the property is transferred.

Service and management charge
Service and management charges are recognised in the accounting period in which the services are rendered. When the Company is acting as an agent, the commission is recorded as revenue.

Dividend income
Dividend income for available-for-sale equities is recognised when the right to receive payment is established – this is the ex-dividend date for equity securities.

(p) Finance income and expenses
Finance income and expenses include the interest income and interest expense on all interest-bearing financial instruments and are recognised in the income statement using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(q) 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:

(I)- IFRS 9 Financial instruments (amended)
The new IFRS 9 could change the classification and measurement of financial assets. The effective date is the annual periods beginning on or after 1 January 2018. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

(ii) Ammendments to IAS 32 (Offsetting financial assets and liabilities)
The amendments to IAS 32 clarify the requirements for offsetting of financial assets and liabilities. The effective date is the annual periods beginning on or after 1 January 2014. However, there is no foreseen impact on the entity as the Company does not have any offsetting financial assets and liabilities.

4 Financial Instruments

4.1 Financial risk management
Introduction and overview
The Company has exposure to the following risks from financial instruments:
- credit risk
- liquidity risk
- market risk
- operational 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 establish 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.

4.2 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.

"The Company has leased out some investment properties in order to generate rental income. The credit risk on these leasing activities is managed by requiring tenants to pay rentals in advance. Outstanding rents receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of the relevant financial asset."

4.3 Liquidity risk

"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 2013	*Note*	Carrying amount	Gross nominal inflow/ (outflow)	Less than 3 month	3 - 6 months	6 - 12 months	1-2years	More than 5 years
In thousands of naira								
Non-derivative assets:								
Cash and cash equivalents	16	1,459,585	1,459,585	1,459,585	—	—	—	—
Investment securities	14	1,085,818	1,085,818	—	—	—	—	1,085,818
Trade and other receivables	15	77,934	77,934	77,934	—	—	—	—
		2,623,337	**2,623,337**	**1,537,519**	**—**	**—**	**—**	**1,085,818**
Non-derivative liabilities								
Bank overdraft	16	1,226	1,226	1,226	—	—	—	—
Trade and other payables	17	879,474	879,474	879,474	—	—	—	—
		880,700	880,700	880,700	—	—	—	—
Gap (asset - liabilities)		1,742,637	1,742,637	656,819	—	—	—	1,085,818
Cumulative liquidity gap		**—**	**1,742,637**	**2,399,456**	**2,399,456**	**2,399,456**	**2,399,456**	**3,485,273**

31 December 2012	Note	Carrying amount	Gross nominal inflow/ (outflow)	Less than 3 month	3 - 6 months	6 - 12 months	1-2years	More than 5 years
In thousands of naira								
Non-derivative assets:								
Cash and cash equivalents	16	1,765,966	1,765,966	1,765,966	—	—	—	—
Investment securities	14	800,000	800,000	—	—	—	—	800,000
Trade and other receivables	15	108,209	108,209	—	—	—	108,209	—
		2,674,175	**2,674,175**	**1,765,966**	**—**	**—**	**108,209**	**800,000**
Non-derivative liabilities								
Bank overdraft	16	1,906	1,906	1,906	—	—	—	—
Trade and other payables	17	2,297,828	2,297,828	2,297,828	—	—	—	—
		2,299,734	2,299,734	2,299,734	—	—	—	—
Gap (asset - liabilities)		374,441	374,441	(533,768)	—	—	108,209	800,000
Cumulative liquidity gap		**—**	**374,441**	**(159,327)**	**(159,327)**	**(159,327)**	**(51,118)**	**748,882**

4.4 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 investment in fixed-interest instruments.

4.4.1 Interest rate risk

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.

Analysis of the Company's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position is as follows:

Scenario level	1%	0.50%
In thousands of Nigerian Naira		
31 December 2013		
Increase	13,328	6,664
Decrease	(13,328)	(6,664)
31 December 2012		
Increase	17,438	8,719
Decrease	(17,438)	(8,719)

In thousand of naira	**Nominal Amount**	
	31 Dec. 2013	**31 Dec. 2012**
Fixed rate instruments		
Financial assets	1,332,790	1,743,781
Financial liabilities	(1,226)	(1,906)
	1,331,564	**1,741,875**

4.4.2 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 2013, and 31 December 2012. The balances in the naira column do not represent an exposure to exchange rate risk as the numbers represents transactions that were contracted in naira and would be settled in the same currency. the balances have been included here for presentation purposes only.

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, categorised by currency:

31 December 2013	**Total**	**US Dollar**	**Euro**	**Naira**
In thousands of naira				
Cash and cash equivalents	1,459,585	842	2,019	1,456,724
Investment securities	1,085,818	—	—	1,085,818
Trade and other receivables	77,934	—	—	77,934
Total financial assets	**2,623,337**	**842**	**2,019**	**2,620,476**
Bank overdraft	1,226	—	—	1,226
Trade and other payables	879,474	—	—	879,474
Total financial liabilities	**880,700**	**—**	**—**	**880,700**

31 December 2012	**Total**	**US Dollar**	**Euro**	**Naira**
In thousands of naira				
Cash and cash equivalents	1,765,966	842	2,019	1,763,105
Investment securities	800,000	—	—	800,000
Trade and other receivables	108,209	—	—	108,209
Total financial assets	**2,674,175**	**842**	**2,019**	**2,671,314**
Bank overdraft	1,906	—	—	1,906
Trade and other payables	2,297,828	—	—	2,297,828
Total financial liabilities	**2,299,734**	**—**	**—**	**2,299,734**

4.5 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 Company has documented its operational risk policy and the compliance and risk management is monitored and reported to the Board of Directors.

4.6 Capital management

"The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value.

The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares."

4.7 Financial assets and financial liabilities

Accounting classification, measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

31 December 2013	Notes	Available for sale	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
In thousands of naira						
Cash and cash equivalents	16	—	1,459,585	—	1,459,585	1,459,585
Trade and other receivables	15	—	77,934	—	77,934	77,934
Investment securities	14	1,085,818	—	—	1,085,818	1,085,818
		1,085,818	**1,537,519**	**—**	**2,623,337**	**2,623,337**
Bank overdraft		—	—	1,226	1,226	1,226
Trade and other payables	17	—	—	879,474	879,474	879,474
		—	**—**	**880,700**	**880,700**	**880,700**

31 December 2012	Notes	Available for sale	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
In thousands of naira						
Cash and cash equivalents	16	—	1,765,966	—	1,765,966	1,765,966
Trade and other receivables	15	—	108,209	—	108,209	108,209
Investment securities	14	800,000	—	—	800,000	800,000
		800,000	**1,874,175**	**—**	**2,674,175**	**2,674,175**
Bank overdraft	16	—	—	1,906	1,906	1,906
Trade and other payables	17	—	—	2,297,828	2,297,828	2,297,828
		—	**—**	**2,299,734**	**2,299,734**	**2,299,734**

Investment securities - unquoted equity securities

This represents fair value gains on the Company's equity investment in Union Assurance Company Limited as at 31 December 2013. As at reporting, the entity held 1,230,768,464 units of shares in Union Assurance Company Limited. Resulting from the divestment of Union Bank of Nigeria Plc (the parent company) from its non-banking subsidiaries, the Board of directors of UBN Property Company Limited has decided to divest from Union Assurance Company Limited. The fair value is the indicative price of this investment, being the price receivable from the market participant on the completion of sale. This investment was carried at cost in 2012 as there was no observable data to reliably measure their fair values.

5. Use of estimates and judgements

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).

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

Investments in equity securities were evaluated for impairment on the basis described in Note 3(f). For an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment. In this respect, the Company regards a decline in fair value in excess of 20 percent to be significant and a decline in a quoted market price that persists for nine months or longer to be prolonged.

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(e).

Depreciation and carrying value of property and equipment
The estimation of the useful lives of assets is based on management's judgement. 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.

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

Valuation of financial instruments
The Company's accounting policy on fair value measurements is discussed under note 3(e)

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

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

(iii) 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 date (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.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Investment securities	**Level 3**	**Total**
31 Dec. 2013		
In thousands of naira		
Balance, beginning of the year	800,000	800,000
Fair value gains in other comprehensive income	285,818	285,818
Balance, end of the year	**1,085,818**	**1,085,818**

31 Dec. 2012	**Level 3**	**Total**
In thousands of naira		
Balance, beginning of the year	800,000	800,000
Fair value gains in other comprehensive income	—	—
Balance, end of the year	**800,000**	**800,000**

The disclosure of fair values of financial assets and liabilities are shown in note 4.7.

6. Segment reporting

Business segments
The Company defines a segment as a distinct or distinguishable unit of the Company that is engaged in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments. Nigeria is the Company's primary geographical segment as all the Company's income is derived in Nigeria. Additionally, all of the Company's income comprises income from property sales, property management fees and agency fees. Accordingly, no further business or geographical information is required.

7 Revenue

In thousands of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Professional fees	52,180	—
Property management fees	25,673	97,547
Estate agency and valuation service fees	31,832	11,399
Sales of trading properties	1,993,782	1,562,486
Rental income	69,025	97,040
	2,172,492	1,768,472

Income derived by the Company from its joint arrangement with Union Bank of Nigeria Plc during the year amounted to N998,543,525 (2012: 1,562,485,774).

8 Cost of sales

In thousands of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Cost of trading properties	1,377,205	1,340,935
	1,377,205	**1,340,935**

The cost of the Company's investment in joint arrangement with Union Bank of Nigreria Plc sold during the year amounted to N875,293,033 (2012: N1,340,934,525).

9(i) Administrative expenses

In thousands of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Staff costs (see note 27 (ii))	107,917	106,643
Depreciation	9,332	8,068
Professional fees	20,882	8,790
Auditor's remuneration	2,160	2,393
Directors' emoluments	2,930	3,570
Interest and bank charges	10,715	7,544
Technical management fees	—	—
Bad debt	—	—
Other operating expenses	48,147	38,858
	202,083	**175,866**

9(ii) Impairment loss on assets

In thousands of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Impairment loss on other receivables	6,287	1,124
Impairment loss of trading properties (Mambilla estate)	88,135	243,458
Impairment loss on receivables from CDL Asset Management Limited	1,062,512	—
	1,156,934	**244,582**

10. Other income

Other income comprise:

In thousands of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Interest income	202,154	140,967
Sundry income	2,624	68,624
Profit on sale of property and equipment	2,714	—
	207,492	**209,591**

11. Investment property

	Completed Property	Property Under Construction	Total
Balance as at January 2013	1,550,000	2,253,870	3,803,870
Expenditure / cost capitalised	—	26,276	26,276
Fair value adjustments	150,000	504,854	654,854
Balance as at 31 December 2013	**1,700,000**	**2,785,000**	**4,485,000**

	Completed Property	Property Under Construction	Total
Balance as at January 2012	2,081,892	2,236,020	4,317,912
Expenditure / cost capitalised	—	17,850	17,850
Return of properties to Union Bank Plc (see note (b) below)	(531,892)	—	(531,892)
Balance as at 31 December 2012	**1,550,000**	**2,253,870**	**3,803,870**

(a) This represents the fair value of the company's developed and undeveloped investment properties as at 31 December 2013. The basis of valuation was the investment and the comparative method of valuation. The carrying amount of investment property is the fair value of the property as determined by a firm of professional estate surveyors and valuers, Messrs Bode Adediji Partnership, in its valuation report dated 16 December 2013. The directors having sought professional advice are of the opinion that the fair value of these properties as at 31 December 2013 were not significantly different from the fair value as at 16 December 2013.

(b) In 2005, seven landed properties were transferred to the Company by the Bank. The Bank entered into an agreement with the Company whereby the plots of land were developed by the Company and leased to the Bank for a period of twenty years. The properties were developed and leased to the Bank effective 1 May 2007. During the year, the parties agreed to discontinue with the arrangement and the respective properties were returned to the Bank.

12 Property and equipment

31 December 2013 *In thousand of Naira* **Cost**	Office Equipment	Motor Vehicles	Fixtures & Fittings	Total
Balance as at 1 January 2013	13,281	29,030	3,316	45,627
Acquisitions	6,766	4,195	123	11,084
Disposals	—	(12,980)	—	(12,980)
Balance at 31 December 2013	**20,047**	**20,245**	**3,439**	**43,731**
Depreciation and impairment				
Balance as at 1 January 2013	5,678	10,534	3,230	19,442
Depreciation charge for the year	3,191	5,948	194	9,333
Disposals	—	(7,031)	—	(7,031)
Balance at 31 December 2013	**8,869**	**9,451**	**3,424**	**21,744**

31 December 2012 **Cost** *In thousand of Naira*	**Office Equipment**	**Motor Vehicles**	**Fixtures & Fittings**	**Total**
Balance as at 1 January 2012	6,221	17,080	3,232	26,533
Acquisitions	7,060	11,950	84	19,094
Disposals	—	—	—	—
Balance at 31 December 2012	**13,281**	**29,030**	**3,316**	**45,627**
Depreciation and impairment				
Balance as at 1 January 2012	4,078	4,270	3,026	11,374
Depreciation charge for the year	1,600	6,264	204	8,068
Disposals	—	—	—	—
Balance at 31 December 2012	**5,678**	**10,534**	**3,230**	**19,442**
Carrying amount				
At 31 December 2013	**11,178**	**10,794**	**15**	**21,987**
At 1 January 2013	**7,603**	**18,496**	**86**	**26,185**

(i) No leased assets are included in the above property and equipment account (1 January 2013: Nil)

13. Trading properties

In thousand of Naira	**Completed**	**Under Construction**	**Total**
As at 1 January 2013	970,219	3,301,801	4,272,020
Additions	19,805	—	19,805
Reclassification	2,602,773	(2,602,773)	—
Disposals	(1,014,886)	(372,274)	(1,387,160)
Write down to net realisable value	(88,135)	—	(88,135)
As at 31 December 2013	**2,489,776**	**326,754**	**2,816,530**

In thousand of Naira	**Completed**	**Under Construction**	**Total**
As at 1 January 2012	1,885,916	3,674,676	5,560,592
Additions	4,163	9,106	13,269
Reclassification	—	—	—
Disposals	(919,860)	(138,523)	(1,058,383)
Write down to net realisable value	—	(243,458)	(243,458)
As at 31 December 2012	**970,219**	**3,301,801**	**4,272,020**

"UBN Property Company Limited has a joint arrangement with Union Bank of Nigeria Plc in respect of properties located at Ilabere, Ogedengbe and 2 Bank Road Lagos which is governed by a signed a Memorandum of Understanding (MOU) detailing the guiding principles in the arrangement. The parties have joint control to the arrangement as decisions regarding relevant activities require unanimous consent of both parties.The carrying value of the properties under the joint arrangement as at 31 December 2013 was N421,761,759 (2012: N1,295,515,168)."

14. Investment securities

In thousands of Naira	31 Dec. 2013	31 Dec. 2012
Unquoted equity securities - Available for sale		
Cost	800,000	800,000
Fair value gains on unquoted investments (see note 14 (I) below)	285,818	—
	1,085,818	**800,000**

(i) This represents fair value gains on the Company's equity investment in Union Assurance Company Limited as at 31 December 2013. The fair value is the indicative price of this investment, being the price receivable from the purchaser on the completion of sale. As at reporting, the Company held 1,230,768,464 units of shares in Union Assurance Company Limited. The Board of directors of UBN Property Company Limited has decided to divest from Union Assurance Company Limited. This investment was carried at cost in 2012 as there was no observable data to reliably measure its fair values.

15. Trade and other receivables

In thousands of Naira	31 Dec. 2013	31 Dec. 2012
(a) Trade and other receivables comprise:		
Trade debtors	12,460	35,683
Due from related companies	51,243	65,243
Staff debtors	777	2,839
Prepayments and sundry debtors	4,399	1,184
Receivables from CDL Asset Management Limited	1,062,512	—
Other receivables	20,328	8,246
	1,151,719	**113,195**
Less: Impairment allowance on other assets	(1,073,785)	(4,986)
	77,934	**108,209**

In thousands of Naira	31 Dec. 2013	31 Dec. 2012
(b) The movement in impairment allowance on other assets was as follows:		
Balance, beginning of year	4,986	3,862
Charge for the year	1,068,799	1,124
Balance, end of year	**1,073,785**	**4,986**

16. Cash and cash equivalents

In thousands of Naira	31 Dec. 2013	31 Dec. 2012
(a) Cash and cash equivalents comprise:		
Cash and bank balances	126,795	22,185
Money market placements	1,332,790	1,743,781
Cash and cash equivalents	**1,459,585**	**1,765,966**

(b) For the purpose of reporting of cash flows, cash and cash equivalents include cash and bank balance and money market placements. Bank overdraft repayable on demand has been included as cash and cash equivalents because they form an integral part of the Company's cash management.

	31 Dec. 2013	31 Dec. 2012
Cash and bank balances	126,795	22,185
Money market placements	1,332,790	1,743,781
Cash and cash equivalents	1,459,585	1,765,966
Bank overdrafts	(1,226)	(1,906)
Cash and cash equivalents in statements of cashflows	**1,458,359**	**1,764,060**

17. Trade and other payables

In thousand of Naira	31 Dec. 2013	31 Dec. 2012
Trade and other creditors comprise:		
Customers' deposits	99,550	1,232,075
Accrual	186,920	293,496
Due to related companies	366,452	535,663
Other liabilities and payables	195,123	198,524
Withholding tax and VAT payable	25,679	23,695
Unearned rental income	—	
Deferred income	5,750	14,375
	879,474	**2,297,828**

18. Employee benefits

In thousand of Naira	31 Dec. 2013	31 Dec. 2012
Defined contribution scheme (see a below)	—	—
Defined benefit obligation (see b below)	45,097	39,893
	45,097	**39,893**
(a) Defined contribution scheme		
Balance at the beginning of the year	—	—
Charge during the year	8,770	10,280
Contribution remited during the year	(8,770)	(10,280)
	—	

(b) 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.

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

(i) 5 years of service: 70% of gross annual emolument on the year of exit.

(ii) 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.

(iii) 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:

In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Balance at the beginning of the year	39,893	37,331
Charge during the year	6,019	2,562
Contribution remited during the year	—	—
Gratuity paid	(815)	—
	45,097	**39,893**

An actuarial valuation of the Company's gratuity liability as at 31 December 2013 was carried out by HR Nigeria Limited (Consultants & Actuaries (FRC/NAS/00000000738)). The valuation was done using the Projected Unit Credit Method.

19 Taxation

(a) The Company is not liable to pay company income tax as it was issued a pioneer certificate granting it pioneer status effective 1 April, 2009 for 5 years. The tax payable of N56,637,000 (see note (c) below) represents the tax liability recognised by the Company prior to its pioneer status.

(b) Current income tax payable

In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Balance, beginning of the year	56,637	56,637
Balance, at the end of year	**56,637**	**56,637**

(c) Deferred tax liability

In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Balance, beginning of the year	503	503
Balance, at the end of year	**503**	**503**

20. Capital and reserves

In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
(a) Share capital		
(i) Authorised:		
6,000,000,000 units of Ordinary shares of =N=1 each		
(2012: 6,000,000,000 units)	6,000,000	6,000,000
(ii) Issued and fully-paid:		
5,626,416,051 Ordinary shares of =N=1 each		
(2012: 5,626,416,051 ordinary shares of =N= each)	5,626,416	5,626,416
(b) Share premium		
In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Balance, beginning of year	1,092,822	1,092,822
Balance, end of year	**1,092,822**	**1,092,822**

Share premium account is made up of 2.32 billion shares issued at N1.5 per share. The other shares were issued to investors at par and carried no premium.

(c) **Fair value reserve:** The fair value reserve comprises the net cumulative change in the fair value of available-for-sale investments until the investment is derecogised or impaired.

(d) **Retained earnings**

In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Balance, beginning of year	1,660,245	1,443,565
Profit for the year	298,616	216,680
Balance, end of year	**1,958,861**	**1,660,245**

21. Earnings per share

(a) **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. 2013	**31 Dec. 2012**
Profit attributable to shareholders of the Company (N'000)	298,616	216,680
Weighted average number of ordinary shares in issue (N'000)	5,626,416	5,626,416
Basic earnings per share (kobo)	5.3	4

(b) **Diluted earnings per share**
The calculation of diluted earnings per share has been based on the profit of N228,377,000 and a weighted average share of 5,626,416,051. The diluted earnings per share was the same as the basic earnings per share of 4.1 kobo (2012: 4 kobo) as the Company does not have shares with dilutive power.

22 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:

(a) **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 Limited through common shareholdings.

(b) **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:

Directors' remuneration	Dec. 2013	Dec. 2012
	₦ million	₦ million
Fees as directors	2,930	2,700
Other allowances	—	870
	2,930	**3,570**
Executive compensation	14,824	14,824
	17,754	**18,394**

(c) Other related party transactions

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

In thousand of Naira	31 Dec. 2013	31 Dec. 2012
(i) Bank Balances		
Placement with Union Bank of Nigeria Plc	1,332,790	312,359
Bank balance with Union Bank of Nigeria Plc	125,692	21,401
Bank balance with Union Homes Savings and Loans Plc	35	236
"Overdrawn bank balances with Union Bank of Nigeria PLC and Union Homes"	—	(503)
Overdrawn balances with Union Homes Savings and Loans PLC	(723)	(1,403)
	1,457,794	**332,090**
(ii) Receivables from related parties		
Union Assurance Company Limited	51,243	65,243
	51,243	**65,243**

In thousand of Naira	31 Dec. 2013	31 Dec. 2012
(iii) Payables to related parties		
Union Trustees Company Limited	88,806	195,181
Union Bank of Nigeria Plc	277,646	340,482
	366,452	**535,663**
(iv) Income from related parties:		
Professional fees-Project management fee	46,486	—
Agency fees from Union Bank of Nigeria Plc	29,087	—
Management fee from Union Bank of Nigeria Plc	9,393	87,355
Management fee from Union Trustees Limited	16,250	10,192
Rental income from Union Bank of Nigeria Plc	29,520	29,520
Rental Income from Union Capital Markets Limited	14,760	14,760
Interest income from deposits with Union Bank of Nigeria Plc	73,910	47,692
	219,406	**189,520**

23 Contingent liabilities, litigation and claims

The Company is a defendant in 2 suits. The claimants claims are for the sum of N330,000,000. 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.

24 Capital commitments

The Company had no outstanding capital commitments (2012: N48,000,000) as at reporting date.

25 Subsequent events

There were no subsequent events which could have had material effect on the financial position of the Company as at 31 December 2013 and the profit for the year ended on that date which have not been adequately provided for or disclosed.

26 Particulars of Directors and Employees

In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
(i) Directors' remuneration		
Fees and sitting allowances	2,930	2,700
Other emoluments		870
	2,930	**3,570**
Executive compensation	14,824	14,824
	17,754	**18,394**
Fees and other emoluments disclosed above include amounts paid to:		
The chairman	1,200	1,200
The highest paid director	14,824	14,824

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	3	3
N1,000,000 - N2,000,000	1	1
Above 2,000,000	1	2
	5	**6**

ii) Staff numbers and costs

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

	31 Dec. 2013	**31 Dec. 2012**
N900,001 - N1,400,000	2	7
N1,400,000 and above	16	17
	18	**24**

Compensation for staff (excluding executive directors):

In thousand of Naira	**31 Dec. 2013**	**31 Dec. 2012**
Salaries and wages	86,648	83,626
Other staff cost	6,480	10,175
Retirement benefits:		
- Gratuity and long service award	6,019	2,562
- Pension cost	8,770	10,280
	107,917	**106,643**

Other Information: Value Added Statement

For the year ended 31 December 2013

In thousands of naira	**31 Dec. 2013**	%	**31 Dec. 2012**	%
Gross earnings	3,034,838		1,978,063	
Bought-in-materials and services				
- Local	(2,618,973)		(1,646,672)	
- Foreign				
Value added	415,865	100	331,391	100
Distribution of value added:				
To employees				
Salaries, wages and benefits	107,917	26%	106,643	32%
Retained in the business				
Depreciation	9,332	2%	8,068	2%
To augment reserves	298,616	72%	216,680	65%
	415,865	**100%**	**331,391**	**100%**

Other Information: Financial Summary

In thousand of naira	31 December 2013	31 December 2012	31 December 2011	1 January 2011
PROFIT AND LOSS ACCOUNT				
Turnover	2,172,492	1,768,472	165,968	
Profit before taxation	298,616	216,680	1,338,533	
Taxation	—	—	66,092	
Profit after taxation	298,616	216,680	1,404,625	
Fair value gains on available for sale financial assets	285,818	—	—	
Total comprehensive income	**584,434**	**216,680**	**1,404,625**	
STATEMENT OF FINANCIAL POSITION				
Non-current assets				
Property and equipment	4,485,000	3,803,870	15,159	4,173
Investment properties	21,987	26,185	4,317,912	2,872,496
Long-term investments	1,085,818	800,000	800,000	895,819
	5,592,805	**4,630,055**	**5,133,071**	**3,772,488**
Current assets				
Trading properties	2,816,530	4,272,020	5,560,592	5,595,290
Trade and other debtors	77,934	108,209	136,489	134,359
Cash and short term funds	1,459,585	1,765,966	293,777	279,970
	4,354,049	**6,146,195**	**5,990,858**	**6,009,619**
Current liabilities				
Bank overdraft	1,226	1,906	107,288	970
Interest bearing borrowing	—	—	415,744	—
Trade and other creditors	879,474	2,297,828	2,343,623	2,864,758
Current tax liabilities	56,637	56,637	56,637	122,729
	937,337	**2,356,371**	**2,923,292**	**2,988,457**
Net current assets	**3,416,712**	**3,789,824**	**3,067,566**	**3,021,162**
Total assets less current liabilities	**9,009,517**	**8,419,879**	**8,200,637**	**6,793,650**
Non-current liabilities				
Gratuity Payable	45,097	39,893	37,331	34,969
Deferred tax liability	503	503	503	503
	45,600	**40,396**	**37,834**	**35,472**
Net assets	**8,963,917**	**8,379,483**	**8,162,803**	**6,758,178**
Capital & reserves				
Share capital	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
Fair value reserve	285,818			
Retained earnings	1,958,861	1,660,245	1,443,565	38,940
Shareholders' funds	8,963,917	8,379,483	8,162,803	6,758,178

The financial information presented above reflects historical summaries based on International Financial Reporting Standards. The Company adopted the International Financial Reporting Standards (IFRS) in 2012. As a result, only 4 year financial summary has been presented.