

2016 ANNUAL REPORT



...doing good

UAC OF NIGERIA PLC RC 341

We're committed to doing you a world of good.

With you at the centre of everything we do, we are creating effective solutions that improve life and everyday living. Whether it's through our food, housing, paints or warehousing, serving you will always be our priority.

uac

since 1879

...doing good





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VISION, MISSION & SHARED VALUES

VISION

To be number one in our chosen markets, providing exceptional value to our customers

MISSION

To grow our top-line at the rate of inflation in Nigeria at a blended EBIT profitability of 15%

SHARED VALUES

Customer Focus
Respect for the Individual
Integrity
Team Spirit
Innovation
Openness & Communication

CORPORATE PROFILE



UAC of Nigeria PLC (UAC) is a leading diversified Company, operating in the Food and Beverage, Real Estate, Paint and Logistics sectors of the economy. UAC has been a foremost and active participant in the Nigerian economic landscape since 1879.

The Company's brand portfolio includes leading brands such as Gala Sausage Roll, Mr. Bigg's, Funtime Coconut chips, Supreme Ice cream, Swan Natural Spring Water, Gossy Warm Spring Water, Dulux Paint, Grand Soya Oil, Vital Feeds, Binggo Dog Food, Livestock Feeds, Grand Cereals Cornflakes and Sandtex Paint.

UAC has evolved into a Holding Company with strong regional and international partnerships in a bid to enhance sustainable growth. The partnerships are: UAC Foods Limited - a business partnership between Tiger Brands Limited, holding 49% of the equity and UAC controlling 51%; MDS Logistics Limited, a joint venture with Imperial Logistics, which holds 49% equity with UAC controlling 51% and UAC Restaurants Limited, where Famous Brands holds 49% of the equity, with UAC controlling 51%. UAC also operates successful joint ventures in the real estate business and a technical collaboration with Akzo Nobel for the manufacture of Dulux Paints in Nigeria.

The Company blazed the trail by fully franchising its Quick Service Restaurants operations, a strategy that is serving as a model for the sector, and has been replicated by competition. Gala Sausage Roll and Mr. Bigg's, the leading QSR brand in Nigeria, have for many years remained dominant household brands.

UAC's business portfolio includes the following Companies: UACN Property Development Company PLC (UPDC), the first Company in the real estate sector to be listed on the Nigerian Stock Exchange; UAC Foods Limited, the manufacturers of Gala Sausage Roll, Supreme Ice Cream and SWAN Natural Spring Water, MDS Logistics Limited, a foremost integrated logistics Company, with investments in pharmaceutical distribution hubs in key locations across the country; UAC Restaurants Limited with its chain of Mr. Bigg's and Debonairs Pizza outlets, Grand Cereals Limited the manufacturers of Vital Poultry and Fish Feeds, Binggo Dog Food, Grand Maize Flour, Grand Cornflakes and Grand Soya Oil; Chemical and Allied Products PLC, leading its industry segment with Dulux Paint, Warm Spring Waters Nigeria Limited, manufacturers of "Gossy" Spring Water and UNICO CPFA Limited, a Closed Pension Funds Administrator.

The Company's business expansion drive led to the acquisition of controlling equity in Livestock Feeds PLC, foremost manufacturers of Animal Feeds and Portland Paints and Products Nigeria PLC, makers of Sandtex Paints. These acquisitions have deepened the Company's presence in the animal feeds and paints market.

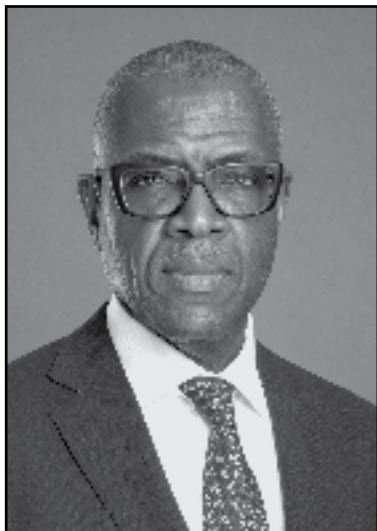
The Company's strategic partnerships are aimed at enhancing operational excellence and delivery capabilities as well as consolidating and building its market share in a competitive and fast growing market. The Company proactively seeks to take advantage of the opportunities presented by its current business model.

CORPORATE PROFILE

The Company's Corporate Social Responsibility (CSR) Programme - The Goodness League is a major boost to education in Nigeria through its infrastructural intervention and support for Legacy Schools across the country as well as the organization of Free Weekend Classes for Senior Secondary School students. UAC's Schools Support Programme has benefitted educational institutions in the South West, North West, South South, North Central and South East geopolitical zones of the country.

UAC has continued the drive for sustainable growth through the execution of relevant business strategies, continuous innovation and significant investment in capacity building.

CHAIRMAN'S STATEMENT



Distinguished Shareholders, Ladies and Gentlemen,

It gives me great pleasure to welcome you to the 2017 Annual General Meeting of our company, UAC OF NIGERIA PLC, and to present to you the Annual Report of the Company for the financial year ended 31st December 2016.

Before reporting on our Company's performance, I would like to highlight some of the key issues in the business environment that affected our operations during

the year.

ECONOMIC AND BUSINESS ENVIRONMENT

Flowing from the challenges of 2015, the year 2016 took the Nigerian economy into uncharted waters, with the country experiencing its first recession in two (2) decades. The recession is due, primarily, to the combined effects of:

- i. The decline in crude oil prices, beginning in the middle of 2014, which led to significant reductions in the volumes of foreign exchange inflows and fiscal revenues.
- ii. A decline in crude oil production, as a result of increased restiveness in the Niger Delta region.
- iii. A subdued investment climate, brought about by the continued effect of the uncertainties that surrounded the outcome of the 2015 general elections.
- iv. Distortions in the foreign exchange market.
- v. Fuel supply shortages and erratic power supply.

These and other factors led to Nigeria's Gross Domestic Product declining over four consecutive quarters, and to a 1.5% contraction of the economy over the course of 2016.

Accompanying this contraction in the economy was a sharp increase in price levels. Inflation rose from 9.6% to 18.6% between December 2015 and December 2016, leading to a decline in the disposable income of consumers and increases in the operating costs of businesses. Other developments such as the depreciation of the Naira, increases in the prices of refined petroleum products such as premium motor spirit (petrol) and diesel, and an increase in

CHAIRMAN'S STATEMENT

electricity tariffs, also contributed towards the overall increase in price levels during the year.

Despite money supply infusions into the economy, the year was also characterised by the prevalence of high interest rates. The capital market did not fare any better as Nigeria's All Share Index declined by 6.2% in 2016 - a third, consecutive, annual decline. Market performance reflected the impact of weak macroeconomic conditions and conflicting policy signals on investor confidence, and the effect of these factors on general liquidity within the system.

While there has been a significant reduction in the activities of Boko Haram, the insurgency group still remains a threat to national security, peace and to a conducive environment for economic activity, especially in the North-East region of the country. Also contributing to the overall environment of elevated social and political risks were the recurring clashes between herdsmen and farming communities across the country, which sometimes led to deaths and displacement of such communities, and the sporadic attacks on crude oil installations in the Niger Delta.

Rising costs of raw and packaging materials have continued to crimp margins in our businesses as, despite accelerating costs, declining purchasing power and competitive pressures have allowed for only minimal retail price increases. The consumer was significantly stretched as inflationary pressures affected disposable income, which in turn affected sales volumes. The performance of our real estate segment was significantly affected by the operating environment, and by the resulting soft demand. Demand for luxury residential offerings declined as Nigerians grappled with adverse economic realities. Our real estate company faced severe challenges revolving around foreign exchange volatility and the under performance of the hospitality sector. Furthermore, as a leveraged entity, our real estate company was also adversely affected by increasing borrowing costs. The logistics and animal feeds categories, on the other hand, performed well despite the challenging operating environment and the outbreak of Avian Influenza (Bird Flu) in some parts of the Country.

In response to the challenges posed by the business environment, your Board and Management aggressively followed through on the execution of its strategic thrusts and took unnecessary costs out of operations in order to guarantee the survival of the business and sustain value creation for stakeholders.

CAPITAL REQUIREMENTS

You will recall that in the Chairman's Statement that I made at the Annual General Meeting last year, and which formed part of the 2015 Annual Report, I informed you that the Board had taken a decision to discontinue the 1 for 12 Rights Issue that was approved at the 2015 Annual General Meeting, due to the prevailing market conditions. I also informed you that the Board and Management would undertake the required investment in, and financial restructuring of, your Company's subsidiaries using internally generated funds.

I am pleased to inform you that the Rights Issue of Portland Paints has been concluded while the Rights Issues of

CHAIRMAN'S STATEMENT



Livestock Feeds and UPDC are at various stages of execution, due to delayed regulatory approvals. Grand Cereals also plans to raise equity by way of a Rights Issue that your Company also intends to subscribe for. The Board has identified an urgent need to bolster your Company's capital position. This will ensure that your Company is able to subscribe for these Rights Issues and provide its subsidiaries with working capital support in a timely manner, so that the subsidiaries can quickly respond to challenges and take advantage of emerging opportunities. It is therefore intended that a resolution to enhance the capital requirements of your Company will be proposed at this meeting.

FINANCIAL PERFORMANCE

Despite the daunting challenges posed by the operating environment, your Company was able to deliver a mixed to good result in 2016 through cost optimisation initiatives, innovation in key categories and extensive retail market expansion, all of which helped to offset further deterioration of margins during the year. Consequently, I am pleased to report that your Company recorded a Group Revenue of ₦84,606,570,000 in 2016, an increase of 15% from the ₦73,771,244,000 of the previous year. Group Profit after Tax of ₦5,666,538,000 is an increase of 10% on ₦5,162,738,000 of the previous year.

DIVIDEND

In view of the Company's performance that I have just highlighted, the Board is recommending for your approval a dividend of 100 kobo per ordinary share in respect of the 2016 financial year.

OUTLOOK FOR 2017

The outlook for 2017 will depend, largely, on the quality of policy and on the effective implementation of various reform initiatives. Critical among the considerations for 2017 will be the ability to curb, or substantially reduce, militancy in the Niger Delta thereby boosting oil production and improving foreign exchange earnings and the Government's revenues. Another important area of emphasis in 2017 is the diversification of the non-oil sector. The 2017 budget also seeks to encourage local production, by optimising the use of local content and empowering local businesses. Related to this are the ongoing efforts to upgrade Nigeria's infrastructure, in order to enhance long-term growth, capital flows and development. Also deserving of mention is the Economic Recovery and Growth Plan that was recently launched by the Government. Effective implementation of this commendable plan will help to tackle the constraints to growth and improve the overall business environment.

Ultimately, rebuilding Nigeria's external reserves, improving the liquidity of the foreign exchange market, strengthening the Naira, managing interest rates and inflation, developing vital infrastructure and the growth of the non-oil sector will remain critical success factors for 2017.

Focusing more specifically on your Company, in 2017 we will be consolidating the initiatives that we started in 2016, support growth and working capital through equity calls, unlock value through the realisation of under-performing

CHAIRMAN'S STATEMENT

assets and restructuring of the route-to-market architecture across the group.

APPRECIATION

Distinguished shareholders, I wish to express the appreciation of the Board of Directors to the staff and management of our company, for their performance under extremely difficult circumstances. You have a management team, and members of staff, that are second to none. My appreciation also goes to our valued customers for their continued patronage and unwavering loyalty to our brands and Company. I also thank my colleagues on the Board for their support and co-operation. Finally, I wish to thank you, our loyal shareholders, for keeping faith with our Company over the years.

Thank you for your attention.

Dan Agbor,

Chairman

FRC/2013/NBA/00000001748

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the next Annual General Meeting of the Members of UAC of Nigeria PLC will be held at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos on Wednesday, 14th June, 2017 at 10.00 o'clock in the forenoon in order to transact the following businesses:

Ordinary Business

1. Lay before the Members the Report of the Directors, the Consolidated Statement of Financial Position of the Company as at 31st December 2016, together with the Consolidated Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and the Audit Committee thereon.
2. Declare a Dividend
3. Re-elect Directors
4. Authorize the Directors to fix the Remuneration of the Auditors
5. Elect Members of the Audit Committee

Special Business

6. Rights Issue

To consider and if thought fit, pass the following as ordinary resolutions:

- (a) That subject to obtaining relevant regulatory approvals, the Directors be and are hereby authorised to raise up to ₦15.4billion (Fifteen Billion, Four Hundred Million Naira) by way of a Rights Issue, through the issuance of ordinary shares on such other terms and conditions as the Directors may deem fit or determine.
 - (b) That in the event of an under-subscription of any Rights Issue undertaken by the Company, the shareholders hereby waive their pre-emptive rights to any unsubscribed shares under the Rights Issue and the Directors are hereby authorized to issue such shares to interested investors as far as practicable, on the same terms as the Rights Issue.
 - (c) That the Directors of the Company be and are hereby authorized to do all acts and things and to approve, sign and/or execute all documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority.
7. Fix the remuneration of the Directors
 8. To renew the general mandate authorizing the Company to enter into recurrent transactions which are of a trading nature or those necessary for its day to day operations with related parties or companies in accordance with the Rules of the Nigerian Stock Exchange governing transactions with related parties or interested persons.

NOTICE OF ANNUAL GENERAL MEETING

Proxy

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her and such a proxy need not be a member of the Company. A proxy form is enclosed and if it is to be valid for the purposes of the meeting, it must be completed and deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

Dated this 29th day of March, 2017

By Order of the Board



Godwin A Samuel, Esq.
Company Secretary/Legal Adviser
FRC/2013/NBA/0000000608
Registered Office
UAC House
1-5 Odunlami Street
Lagos



NOTICE OF ANNUAL GENERAL MEETING



NOTES

Dividend

In view of the results, Directors have recommended the payment of a dividend of 100 kobo per ordinary share to Members. The resolution to this effect will be put to the meeting for the approval of Members.

Dividend Warrants

If payment of the Dividend is approved, the Warrants will be posted on 15th June, 2017 to Shareholders whose names are on the Register of Members at the close of business on Monday, 15th May, 2017.

Closure of Register and Transfer Books

The Register of Members and Transfer Books will be closed from Tuesday, 16th to Friday, 19th May, 2017 (both days inclusive) for the purposes of processing payment of dividend.

Audit Committee

The Audit Committee consists of three (3) shareholders and three Directors. Any member may nominate a shareholder as a member of the committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one days before the Annual General Meeting. Nominators should please submit a brief profile of their nominees to the Company Secretary along with notification forms for publication in the Annual Report for the information of all shareholders. By a recent rule of the Financial Reporting Council, any person attesting as Chairman of the Audit Committee to annual report, financial statements, accounts, financial report, returns and other documents of financial nature, shall be a professional member of an accounting body established by an Act of the National Assembly in Nigeria.

Unclaimed Share Certificates and Dividend Warrants

Shareholders are hereby informed that a sizeable quantity of share certificates and dividend warrants have been returned to the Registrars as unclaimed. Some Dividend Warrants have neither been presented to the Banks for payment nor to the registrar for revalidation. List of Unclaimed Dividends No 51 has been uploaded on the Company's website. Affected members are by this notice advised to please contact the Registrars (Africa Prudential Registrars PLC) at their office at 220B, Ikorodu Road, Palmgrove, Lagos or call them on 01-4606460 during normal business hours to revalidate their dividend warrants and update their contact information.

Rights of Securities Holders to Ask Questions

Securities holders have the right to ask questions not only at the meeting, but also in writing prior to the meeting and such questions must be submitted to the Company on or before 7th day of June 2017.

NOTICE OF ANNUAL GENERAL MEETING

Annual Report & Unclaimed Dividends List

Shareholders who wish to receive electronic copies of the Annual Report & Accounts and Unclaimed Dividends list should please send their names and e-mail addresses to the Registrars at info@africaprudentialregistrars.com.

E-Dividend/Bonus

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to all Shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of e-dividend/bonus. Forms are attached to the Annual report for completion by all shareholders to provide the particulars of these accounts to the registrar (Africa Prudential Registrars PLC) as soon as possible.

Record of Director's Attendance at Board Meetings

In accordance with section 258 (2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the record of Directors' attendance at Board Meetings during the year will be available for inspection at this Annual General Meeting.

Directors Retiring By Rotation

In accordance with the Articles of Association of the Company, Mrs. Awuneba Sotonye Ajumogobia and Mr Babatunde Oladele Kasali are the Directors retiring by rotation at the meeting and being eligible offer themselves for re-election.



Board of Directors, Professional Advisers, etc.

Board of Directors

Mr Daniel Owor Agbor
Mr. Larry Ephraim Ettah
Mrs. Awuneba Sotonye Ajumogobia
Dr. Umaru Alka
Mr. Abdul Akhor Bello
Mr. Joseph Ibrahim Dada
Mr. Babatunde Oladele Kasali
Dr. Okechukwu John Mbonu

Non-Executive Chairman
Group Managing Director/CEO
Independent Non-Executive Director
Non-Executive Director
Executive Director/Chief Financial Officer
Executive Director, Corporate Services
Non-Executive Director
Non-Executive Director

Company Secretary/Legal Adviser

Godwin Abimbola Samuel, Esq.

Registered Office and Transfer Office

UAC House
1-5 Odunlami Street
Marina, Lagos

Independent Auditors

Ernst & Young
UBA House - 10th & 13th Floors
Marina, Lagos

The Registrar

Africa Prudential Registrars PLC
220B Ikorodu Road,
Palm Groove,
Lagos

uac

Grand CORN FLAKES[®]

MORE VITAMINS & MINERALS



350g



**“The Directors are responsible
for the preparation of the annual
financial statements which give a
true and fair view of the position
of the Company”**

DIRECTORS' RESPONSIBILITY

This statement, which should be read in conjunction with the Auditors' statement of their responsibilities, is made with a view to setting out for Shareholders, the responsibilities of the Directors of the Company with respect to the financial statements.

In accordance with the provisions of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, the Directors are responsible for the preparation of annual financial statements, which give a true and fair view of the Company and of the Statements of Comprehensive Income for the Financial Year.

The responsibilities include ensuring that:

- (a) Appropriate internal controls are established both to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- (b) The Company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which ensure that the financial statements comply with the requirements of the Companies and Allied matters Act;
- (c) The company has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed and;
- (d) The going concern basis is used, unless it is inappropriate to presume the company will continue in business.

PROFILE OF DIRECTORS



Mr. Daniel Owor Agbor, 57

Mr. Agbor is the Managing Partner of the law firm of Udo Udoma & Belo-Osagie with responsibility for managing the law firm, and with continuing responsibility for leading the firm's mergers and acquisitions and private equity practices. He brings to the Board a wealth of experience from his distinguished careers in banking and legal practice.

He holds a B.Sc. degree in Political Science and an M.PA (Masters in Public Administration), both from the University of Calabar. He also holds a Bachelor of Laws (LL.B) degree of the University of Benin and was called to the Bar in 1986 after passing the Bar Examinations of the Nigerian Law School. He is a member of both the Nigerian Bar Association and the International Bar Association. Prior to joining Udo Udoma & Belo-Osagie in 1990, he held various positions in Nigeria International Bank Limited (now Citibank Nigeria Limited), where he worked in the Corporate Finance Unit and in Gulf Bank of Nigeria Limited, where he was Company Secretary/Legal Adviser. He is on the Board of Directors of several companies including being the Non-Executive Chairman of FSDH Securities Limited, a Non-Executive Director of FSDH Merchant Bank Limited, Pensions Alliance Limited and Swift Network Services Limited respectively, and an alternate director of Nigerite Limited.

He has attended several training programmes within and outside Nigeria including Euromoney Training Programme on effective Risk Management Oversight for Board Members & Executives, a Jeff & O'Brien facilitated Training Programme on Enterprise Wide Risk Management for Board Directors, IFRS Partner Training on "IFRS Readiness for Boards and Audit Committees", a Business Education Examinations Council Programme for Board Chairmen, Chief Executives, Directors and Board Secretaries Programme, Euromoney Training Programme on Private Equity & Venture Capital and Arthur Andersen & Co Basic Accounting Course.

Mr Agbor joined the Board of UAC of Nigeria PLC in November 2015. He is the Non-Executive Chairman of the Board.



Mr. Larry Ephraim Ettah, 53

Mr. Ettah is the Group Managing Director/Chief Executive Officer of the Company. He started his career as a Management Trainee in UAC of Nigeria PLC in 1988. He has held several Senior Management positions in UAC of Nigeria PLC and was appointed an Executive Director of UAC of Nigeria PLC in 2004. He became the Group Managing Director/Chief Executive Officer of UAC of Nigeria PLC on 1st January, 2007. He holds a B.Sc. degree in Industrial Chemistry (1985) and an MBA (1988) both from University of Benin. A graduate of the renowned Executive Programme of Ross School of Business, University of Michigan, he has also attended Executive Education Programmes of Graduate School of Business, Stanford University, Harvard Business School, USA,

SAID Business School, Oxford University UK, and IMD Lausanne, Switzerland. He is the President of Nigeria Employers' Consultative Association (NECA).

PROFILE OF DIRECTORS



Mrs. Awuneba Sotonye Ajumogobia, 58

Mrs. Ajumogobia is a fellow of the Institute of Chartered Accountants of Nigeria with over twenty-five (25) years' experience in external audit, accounting, finance and marketing. She graduated from University of Ibadan with a B.Sc. (Hons) degree in Economics and acquired broad professional experience in audit, taxation and consultancy across several industries at the audit firms of Peat Marwick and Deloitte. She later joined Andersen Consulting (now Accenture) where she worked for thirteen (13) years.

Mrs. Ajumogobia currently serves as Executive Director of Multistream Energy Limited, she is on the advisory board of Lagos Deep Offshore Logistics Base (LADOL) and the board of trustees of Youth Business Initiative. Mrs. Ajumogobia who joined UAC of Nigeria PLC Board in July 2009 is a member of the Statutory Audit Committee as well as the Chairperson of the Risk Management Committee and continues her professional development at leading global academic institutions.



Mr. Joseph Ibrahim Dada, 56

Mr. Dada graduated from Ahmadu Bello University, Zaria with a B.Sc. (Hons) in Economics. He holds a Masters of Science Degree in Marketing Management from the University of Lagos. He is a Member of the Advertising Practitioners Council of Nigeria (APCON) and a Fellow of the National Institute of Marketing of Nigeria (NIMN). He is an alumnus of the famous Kellogg School of Management, North Western University, Illinois, USA. He joined UAC of Nigeria PLC as a Management Trainee in September 1983. He worked with the then A.J Seward division of UAC, in UAC Export and subsequently UAC Foods where he was Divisional Ice Cream Director, Divisional

Frozen Foods Director respectively. In December 1999, Mr. Dada was appointed as the Managing Director of Grand Cereals Limited, a subsidiary of UAC, a position he held until his elevation to the Board in January 2010 as Executive Director, Corporate Services with responsibility for Human Resources, Marketing and Strategy.



Mr. Abdul Akhor Bello, 56

Mr. Bello is a fellow of the Institute of Chartered Accountants of Nigeria. He has attended leadership programmes at the Wharton School of the University of Pennsylvania, Harvard Business School and IMD Switzerland. He is an alumnus of Oxford University's Advanced Management and Leadership Programme. Mr. Bello has worked variously as Chief Accountant, Inlaks PLC, Chief Accountant and Financial Controller, Grand Cereals Limited, Senior Group Accountant, UAC of Nigeria PLC, Finance Director and Company Secretary and later Managing Director of CAP PLC. He was the Managing Director of UPDC PLC from November 2007 until his elevation to the Board of UAC as Chief Financial Officer in January 2010.

PROFILE OF DIRECTORS



Engr. (Dr.) Okechukwu John Mbonu, 65

Engr. Mbonu is a Partner of Execution Edge Limited. He holds a first-class honors (B.Sc.) and Ph.D. degrees in Mechanical Engineering from the University of Manchester, UK. He is a COREN registered Engineer, a Fellow of the Nigerian Society of Engineers (FNSE), a Fellow of the Nigerian Institution of Mechanical Engineers (FNIMEchE) and a Fellow of the Sierra Leone Institute of Engineers (FSLIE). He started his career as an Engineer with Nigerian Breweries PLC in 1982 and after holding several engineering positions, was appointed the Engineering Manager of the company in 1990. The first Nigerian to be so appointed. In 1996, he was seconded by Nigerian

Breweries PLC to Shell Petroleum Development Company of Nigeria (SPDC) on contract. After the contract with SPDC, he returned to Nigerian Breweries PLC and was elevated to the Board of Nigerian Breweries PLC as the company's Human Resource Director (HRD) in November, 1999. He was later appointed the Customer Service Director (CSD) in November, 2001. In March, 2005, he was posted to Heineken International and then to Sierra Leone Brewery Limited, Freetown as the Managing Director/Chief Executive Officer of the company.

Upon retirement from the services of Heineken International/Nigerian Breweries in August, 2009, he joined the services of PricewaterhouseCoopers (PwC), Nigeria Limited as a Director in their Advisory Line of Service. He joined Execution Edge Limited in July 2014 as one of the founding Partners.

He was appointed the Non-Executive Chairman of Cutix PLC, Nigeria in October 21st, 2016. He joined the Board of UAC in November 2015 as a Non-Executive Director.

Mr. Babatunde O Kasali, 63



Mr. Kasali graduated with B.Sc. (Hons) Economics Degree from Manchester Metropolitan University, United Kingdom. He is a Fellow of the Institute of Chartered Accountants of Nigeria. His work experience include Audit Senior, Ernst & Young (Chartered Accountants) United Kingdom, Assistant Internal Auditor, Amex Bank PLC, United Kingdom, Principal Manager, Ernst & Young (Chartered Accountants) Nigeria. He was also Chief Inspector, Regional Director, Divisional Director and Regional Bank Head, Consumer and Commercial Banking Group, United Bank for Africa PLC respectively. He is a Non-Executive Director of Wema Bank PLC. He was a Non-Executive Director of UACN Property Development Company PLC from where he was appointed

to the UAC Board in March 2013.

PROFILE OF DIRECTORS



Dr. Umaru Alka, 65

Dr. Alka, an expert in environmental pollution and conservation had his secondary education at the prestigious King's College, Lagos. He thereafter attended Ahmadu Bello University, Zaria from where he earned a B.Sc. (Hons) degree in Chemical Engineering and M.Eng. in Water Resources and Environmental Engineering. He obtained a Ph.D. in Environmental Control Engineering from Newcastle Upon-Tyne, United Kingdom. He has acquired deep experience in his specialty from working with the Bauchi State Water Board from 1976 to 1985 and the Abubakar Tafawa Balewa University (formerly Abubakar Tafawa Balewa College of Ahmadu Bello University, Zaria) from 1985 to 1987. From 1987 to date he has run his own Environmental and Water resources Engineering outfit, Alka-Chem Limited. He had also at various times served on the Boards of the Federal Housing Authority, Bauchi State Water Board, Lake Chad Research institute and as an Adviser to the Bauchi State Government on Environmental, Industrialization and Water resources Development. He is a member of the Nigerian Society of Engineers, Nigerian Society of Chemical Engineers, Institution of Water Pollution Control (UK) and the Institute of Public Health Engineering (U.K). He was a Non-Executive Director of Chemical & Allied Products PLC from where he was appointed to the UAC of Nigeria PLC Board in March 2013.



Gala Mega Launch

Left to right: Mr Femi Adeyemi- Sales Operations Manager, Mrs. Joan Ihekwa- General Manager, Marketing, Mr Uche Nwana- Distributor, Mrs Agnes Okwakwa-Distributor, Folasade Abiola- Senior Brand Manager Snacks UAC Foods Limited, Mr Taye Ige- MD Primedia

GROUP SENIOR MANAGEMENT TEAM

1.	Mr. Larry Ettah	Group Managing Director/Chief Executive Officer
2.	Mr. Abdul Bello	Executive Director/Chief Financial Officer
3.	Mr. Joseph Dada	Executive Director, Corporate Services
4.	Mrs. Omolara Elemide	Managing Director, Chemical and Allied Products PLC
5.	Mr. Chidi Okoro	Managing Director, UAC Foods Limited
6.	Mr. Hakeem Ogunniran	Managing Director, UACN Property Dev. Co. PLC
7.	Mr. Layi Oyatoki	Managing Director, Grand Cereals Limited
8.	Mrs. Muhibat Abbas	Managing Director, UNICO CPFA Limited
9.	Mrs. Folake Oshinyemi	Managing Director, Warm Spring Waters Nig. Limited
10.	Mr. Solomom Aigbavboa	Managing Director, MDS Logistics Limited
11.	Ms Susan Mawer	Managing Executive, UAC Restaurants Limited
12.	Mr. Mukhtar Yakasai	Managing Director, Portland Paints & Products Nig. PLC
13.	Mrs. Modupe Asanmo	Managing Director, Livestock Feeds PLC
14.	Mr. Godwin Samuel	Company Secretary/Legal Adviser
15.	Mr. Tunde Adenekan	Head, Information Technology
16.	Mrs. Oluwakemi Ogunnubi	Head, Financial Services
17.	Dr. Babatunde Lawal	Head, Medical Services
18.	Mrs. Osa Osowa	Head, Human Resources
19.	Mrs. Esosa Balogun	Head, Risk & Compliance

DIRECTORS' REPORT



The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st December 2016.

PROFIT FOR THE YEAR

	2016 N'000	2015 N'000
Group profit for the year	5,666,538	5,162,738

Dividend

The Directors have recommended the payment of 100 kobo dividend per ordinary share held.

Activities

UAC of Nigeria PLC is a diversified business with activities in the following principal sectors: Food & Beverages, Real Estate, Paints and Logistics.

CORPORATE GOVERNANCE REPORT

UAC of Nigeria PLC is a company of integrity and high ethical standards. Our reputation for honest, open and dependable business conduct, built over the years is an asset just as our people and brands. We conduct our business in full compliance with the laws and regulations of Nigeria and our Code of Business Conduct.

The Board of Directors

Under the Articles of Association of the Company, the business of the Company shall be controlled and managed by the Directors, who may exercise all such powers of the Company as are not by statute or the Articles to be exercised by the Company in the general meeting. The operations of the Board of Directors of UAC of Nigeria PLC are governed by a charter.

Composition of the Board of Directors

The Board is made up of five Non-Executive and three Executive Directors. All the Directors have access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, they may take advice from third party professionals in areas where such advice will improve the quality of their contribution to Board deliberations.

Separation of Positions of Chairman and Managing Director

The Position of the Chairman is distinct from that of the Group Managing Director/CEO. The Chairman is Mr. Dan Agbor while the Group Managing Director/Chief Executive Officer is Mr. Larry Ettah. The other Executive Directors are Mr. Abdul Bello, the Chief Financial Officer and Mr. Joseph Dada, the Executive Director, Corporate Services. Other Non-Executive Directors that served during the year are Mrs. Awuneba Ajumogobia (the Independent Director), Engr. (Dr.) Okechukwu John Mbonu, Mr. Babatunde Kasali and Dr. Umaru Alka.

DIRECTORS' REPORT

The Roles and Responsibilities of the Board

The following matters are reserved for the Board of Directors of the Company:

- a. Formulation of policies, strategy and overseeing the management and conduct of the business;
- b. Formulation and management of risk management framework;
- c. Succession planning and appointment, training, remuneration and replacement of Board Members and Senior Management;
- d. Overseeing the effectiveness and adequacy of internal control systems;
- e. Overseeing the maintenance of the Company's communication and information dissemination policy;
- f. Performance appraisal and compensation of Board Members and senior executives;
- g. Ensuring effective communication with shareholders, other stakeholders, and the investing public;
- h. Ensuring the integrity of financial controls and reports;
- i. Ensuring that ethical standards are maintained;
- j. Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and Code of Corporate Governance by the Company and its Business Units;
- k. Definition of the scope of delegated Authority to Board committees and management and their accountabilities;
- l. Definition of the scope of corporate social responsibility through the approval of relevant policies;
- m. Approval and enforcement of a code of ethics and business practices for the Company, the employees and directors.

Board Appointment

The process of appointing Directors involves a declaration of a vacancy at a Board meeting; sourcing of the curriculum vitae of suitable candidates depending on the required skills, competence and experience at any particular time; and reference of the Curriculum Vitae to the Governance and Remuneration Committee for necessary background checks, informal interviews/interaction and a recommendation for approval to the Board of Directors. A Director appointed by the Board is presented to the next Annual General Meeting of the members of the Company for election in line with statutory requirement.

Directors' Induction and Training

Every newly appointed Director receives a letter of appointment detailing the terms of reference of the Board and its Committees, the Board Structure, Board plan for current year, his remuneration and demand on his time as a result of the appointment. The letter of appointment is accompanied with the Memorandum and Articles of Association of the Company, the latest Annual Report & Accounts, the Code of Corporate Governance for Public Companies in Nigeria, UACN Code of Business Conduct and other documents, policies, processes and procedures that will help the Director to gain an understanding of the Company, its history, culture, core values, governance framework, business principles, people, operations, brands, projects, processes and plans. A new Director undergoes an induction/ orientation process whereby he is introduced to the members of the Board of Directors and leadership teams of

DIRECTORS' REPORT



Corporate Centre and Subsidiary Companies. Operational visits are also arranged for the new Director to meet with Leadership teams and introduction to business operations. Directors attended a UAC Group Board Retreat which was focused on Board Effectiveness, Strategy and recent developments in Corporate Governance facilitated by a faculty from the International Institute for Management Development (IMD), based in Switzerland.

Board Meetings

The Board met 7 times during the 2016 financial year. The following table shows the attendance of Directors at the Board Meetings:

DIRECTOR	30/3	4/5	8/6	27/7	26/10	8/11	7/12
Mr Daniel Agbor	P	P	P	P	P	P	P
Dr Okechukwu Mbonu	P	P	P	P	P	P	P
Mr Larry Effah	P	P	P	P	P	P	P
Mr Abdul Bello	P	P	P	P	P	P	P
Mr Joseph Dada	P	P	P	P	P	P	P
Mrs Awuneba Ajumogobia	P	P	P	P	P	P	P
Mr Babatunde Kasali	P	P	P	P	P	P	P
Dr Umaru Alka	P	P	P	P	P	P	P

Key:

P: Present

Board Evaluation

A Board Evaluation was undertaken at the end of 2016 financial year. The performance of the Board, Board Committees and individual Directors was adjudged satisfactory; and necessary feedback was given to the Directors arising from the exercise.

Composition of Board Committees

The Board functions through two Board Committees namely, Risk Management Committee and Governance & Remuneration Committee. Board Committees make recommendations for approval by the full Board.

1. The Risk Management Committee

The Committee is chaired by Mrs. Awuneba Ajumogobia, the independent Non-Executive Director and is made up of another Non-Executive Director and three Executive Directors.

The Terms of Reference for the Risk Management Committee are as follows:

- i. Understand the principal risks to achieving the company and group's strategy;

DIRECTORS' REPORT

- ii. Oversee the establishment of a management framework that defines the company's risk policy, risk appetite and risk limits;
- iii. Ensure that business profile and plans are consistent with the Company and group risk appetite;
- iv. Assist the Board in overseeing risk management and monitoring the Group's performance with regards to risk management;
- v. Review the process for identifying and analyzing business level risk;
- vi. Agree and implement risk measurement and reporting standards as well as methodologies;
- vii. Periodically review the key controls, processes and practice, including limit structure;
- viii. Monitor, review and challenge all aspects of the Company's and group's risk profile key risk management practice;
- ix. Periodically evaluate the Company's risk profile, action plans to manage high risks and progress on the implementation of these plans;
- x. Monitor risk management policies to ensure they are integrated into the Company's culture;
- xi. Review quarterly risk management reports and make recommendation to the Board on appropriate actions;
- xii. Ensure UACN's risk exposures are within approval risk control limits;
- xiii. Assess new risk-return opportunities;
- xiv. Undertake at least annually a thorough risk assessment covering all aspects of the Company's business and use the result of the risk assessment to update the risk management framework of the Company;
- xv. Review the structure for, and implementation of, risk measurement and reporting standards as well as methodologies;
- xvi. Ensure disclosure of the Company and group risk management policies and practices in the annual report

Audit

- i. Review updates on implementation level of internal and external auditor's recommendations by management from Board Representatives on the Audit Committee.
- ii. Recommend for Board approval, the appointment of an Internal Audit Service Provider;
- iii. Periodically evaluate the performance of Internal Audit Service Provider and make recommendation to the Board;
- iv. Periodically review the manning level and the adequacy of the resources with which the Internal Audit and Risk functions discharge their duties.

Whistle Blowing

- i. Oversee the establishment of Whistle Blowing procedures for the receipt, retention, and treatment of Complaints received by the Group regarding accounting, internal controls and/or auditing matters, unethical activity breach of the Corporate Governance Code and the confidential/anonymous treatment of submission by Stakeholders (Employees, Customers, Suppliers, Applicants etc.) of the Group with respect to such Complaints.

DIRECTORS' REPORT



Others

- i. Oversee the company's financial reporting, its policies and processes;
- ii. Review the group's operational performance;
- iii. Make recommendations to the Board on capital expenditure, specific projects and their financing within the overall approved plan;
- iv. Make recommendations on management of Company's cash and debt exposure/ borrowings;
- v. Monitor compliance and applicable laws and regulation by the Company and its subsidiaries.

Committee Meetings

The Risk Management Committee met 3 times during the year. The following table shows the attendance of the members of the committee at the meetings:

DIRECTOR	13/4	13/7	12/10
Mrs. A S Ajumogobia	P	p	p
Mr. B O Kasali	P	P	P
Mr. L E Ettah	P	P	P
Mr. A A Bello	P	P	P
Mr. J I Dada	P	P	P

Key: P: Present

2. The Governance and Remuneration Committee

The Committee was chaired by Mr. Dan Agbor, a Non-Executive Director and made up of two other Non-Executive Directors. The GMD/CEO attends the meetings of the Committee to present reports and shed light on people management and remuneration proposals.

Terms of Reference of Governance and Remuneration Committee

The following are the terms of reference of the Committee:

- a. To periodically evaluate the skills knowledge and experience required on the Board and make recommendations on the composition of the Board;
- b. To define the criteria and the procedure for the appointment of Directors to the Board and the Board committees;
- c. To prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate;
- d. To nominate new Directors for appointment to the Boards of the Company, and subsidiary and associated companies;
- e. To recommend the appointment, remuneration and promotion of Executive Directors and Senior Management;
- f. To perform annual evaluation of the Board, Board committees and Boards of subsidiary companies as appropriate;

DIRECTORS' REPORT

- g. To set the performance targets/criteria and evaluate the performance of the Group Managing Director/CEO and make recommendations to the Board on his performance;
- h. To review from time to time succession planning proposals and implementation;
- i. To document and review the Board Charter and composition, roles, responsibilities, authorities, reporting framework of Board Committees and the Boards of Subsidiary companies;
- j. To make recommendations to the Board on the adoption of a Code of Conduct (including policy on trading in Company's Shares) for Directors and Senior Executives and to review the same from time to time
- k. To make recommendations to the Board on the whistle blowing process for the Company that encourages stakeholders to report any unethical activity/breach in Corporate Governance;
- l. To oversee continuing education of Board members and the induction of new directors;
- m. To make input into the annual report of the Company in respect of Directors' compensation;
- n. To review and make recommendations to the Board for approval on the Company's organizational structure and propose amendments;
- o. To review and make recommendations to the Board on group-wide staff appraisal, salary and compensation.

Committee Meetings

The Committee met 3 times in 2016. The following table shows the attendance of committee members at the Meeting

DIRECTOR	30/3	26/10	7/12
Mr Daniel Agbor	P	P	P
Dr Umaru Alka	P	P	P
Dr Okechukwu Mbonu	P	P	P

Key: P: Present

Management

At the Management Level, a Business Review Committee presided over by the Group Managing Director/CEO, comprising the Executive Directors, Managing Directors of Subsidiary Companies and Heads of Corporate Centre Units meets every month to review business performance and operational and strategic issues of businesses within the group.

The members of leadership teams of the Corporate Centre and Business Units also attend an Annual Business Retreat to review the performance of the businesses within the group; discuss the approved budget for the current year and agree execution modalities. The Chairman of the Board also attends the Annual Group Business Retreat to give Management feedback from the Board on Corporate Strategy, business direction, performance and expectations.

The list of Group Senior Management Team is on Page 24 of this Annual Report.

DIRECTORS' REPORT



Code of Business Conduct

The Company recently reviewed and refreshed its Code of Business Conduct for Employees and other Stakeholders'. The Board of Directors is responsible for ensuring that the Code is communicated to, understood and observed by, all employees.

THE STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee consists of six members made up of three representatives of shareholders elected at the previous Annual General Meeting for a tenure of one year and three representatives of the Board of Directors nominated by the Board. The Chairman of the Committee is Mr Olabisi Fayombo, a Chartered Accountant and a shareholders' representative. The Company Secretary is the Secretary to the Committee. The meetings of the Committee were attended by representatives of KPMG Professional Services, our Internal Audit Service Provider, Ernst & Young, our Independent/External Auditors and Head, Risk & Compliance Unit of the Company. The Committee operates within the provisions of the Companies and Allied Matters Act CAP C20 Laws of the Federation, 2004, 2011 SEC Code of Corporate Governance for Public Companies in Nigeria, Audit Committee Charter, Internal Audit Charter and best practice. The following table shows members' attendance at the four meetings of the Committee in 2016:

NAME	23/3	6/6	25/7	24/10
Mr. Olabisi Fayombo	P	P	P	P
Mr. Matthew Akinlade	P	P	P	P
Mrs. Awuneba Ajumogobia	P	P	P	P
Mr. Nwosu Nnabike	P	P	P	P
Mr. Babatunde Kasali	P	P	P	P
Dr. Umaru Alka	P	P	P	P

Key:

P: Present

The Terms of Reference of the Committee

The following are the terms of reference of the Committee:

The Committee is authorized by the Companies and Allied Matters Act, 2004 ('CAMA') to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- Review the scope and planning of Audit requirements;
- Review the findings on Management matters in conjunction with the External Auditor and departmental responses thereon;
- Keep under review the effectiveness of the Company's system of accounting and internal control;

DIRECTORS' REPORT

- e) Make recommendation to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company;
- f) Authorize the Internal Auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee.
- g) Receive quarterly/periodic reports from the Internal Audit Unit.

In addition, 2011 SEC Code of Corporate Governance also assigns specific responsibilities to the Committee.

Control Environment

A Group-wide Risk & Compliance Unit is in place at the Corporate Centre and in all the subsidiary Companies to foster a stronger control environment. The outsourced Internal Audit and Whistle Blowing services to KPMG Professional Services are working effectively and adding immense value to the business.

Securities Trading Policy

In compliance with the Rules of the Nigerian Stock Exchange, we have put in place a Securities Trading Policy to guide Employees and Directors of the Company, persons closely connected to them, and all insiders of the Company on trading in the securities of the company. Under the policy, the closed period shall be effective from 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any price sensitive matter, or the date of circulation of agenda papers pertaining to any of the said matters whichever is earlier, up to 24 hours after the price sensitive information is submitted to the NSE. The trading window shall thereafter be opened:

We hereby confirm that no Director traded in the securities of the Company within the closed period.

Shareholders Complaints Management Policy

We have put in place a Complaints Management Policy to handle and resolve complaints from our Shareholders and investors. The Policy was defined and endorsed by the Company's Senior Management, that is also responsible for its implementation and for monitoring compliance. The Policy has been posted on the Company's website and shall be made available to Shareholders of the company at the Annual General Meeting.

Compliance with the Code of Corporate Governance

The Company has complied with the 2011 SEC Code of Corporate Governance for Public Companies.

DIRECTORS' REPORT

Directors' Interest in Ordinary Shares DIRECTORS

	December 2016 Ordinary shares	December 2015
Mr D O Agbor	-	-
Mr. L E Ettah	2,400,000	2,400,000
Mr. A A Bello	124,388	124,388
Mr. J I Dada	103,124	103,124
Mrs. A Ajumogobia	925	925
Dr. O. Mbonu	-	-
Dr. U Alka	4,184	4,184
Mr. B Kasali	10,000	10, 000

Directors' Interest in Contracts

Some of the Directors gave notices for the purposes of Section 277 of the Companies and Matters Act, 1990, to the effect that they are Directors/partners of some specified entities which could be regarded as interested in some contracts with the group during the year under review. Mr Daniel Agbor is a Partner in the law firm of Udo Udoma & Belo-Osagie which renders legal services to Companies within the group from time to time. He is also a Non-Executive Director of FSDH Merchant Bank Limited, which had a banking relationship with the Company during the year. Mr Abdul Bello was a Non-Executive Director of Skye Bank PLC, which had a banking relationship with some Companies within the group. Mr Ettah is a Non-Executive Director of Coronation Merchant Bank Limited, which has a banking relationship with some Companies within the group.

Charitable Gifts and Donations

	₦
Goodness League & Paint Accessories to Government Technical Colleges	16,233,647
Zawan (Jos Plateau State) Community Projects	6,963,638
Product Sponsorships	6,707,156
Other charitable expenditure	8,525,327
TOTAL	38,429,767

DIRECTORS' REPORT

COMMENTARIES ON SUBSIDIARY COMPANIES



GRAND CEREALS LIMITED

Grand Cereals achieved a commendable performance in 2016 despite the difficult operating environment, delivering strong volume growth in the Cereal and Fish Feed categories.

Rising raw and packaging material prices impacted margins adversely. The Business embarked on recipe re-engineering and trade terms restructuring to remain profitable and competitive.



LIVESTOCK FEEDS PLC

Despite the tough business environment, Livestock Feeds recorded growth in turnover and operational profit. In order to ensure ready supply of one of its raw materials, the Company completed its strategic investment in a full fat extruder plant.



UAC FOODS LIMITED

UAC Foods achieved a positive turnover trend in 2016 while profitability was adversely impacted by a steep rise in the cost of raw and packaging materials. The business executed brand building initiatives and Route To Market revamp project to expand availability of its brands across channels and geography.



UAC RESTAURANTS LIMITED

UAC restaurants was adversely impacted by the significant reduction in consumers' disposable income and rising cost of raw materials, which put margins under pressure and led to a decline in operational profits. The year 2016 was a period of optimizing operational efficiencies in order to adequately respond to market realities.

DIRECTORS' REPORT



CAP PLC

Forex scarcity and downturn in the real estate sector led to a 3% turnover decline. Rising input costs led to an 11% profit decline over the previous year. The business expanded its distribution network by opening an additional five Dulux Colour Shops and appointing Caplux distributors in major paint markets in Nigeria. The Company was a recipient of the 8th Best Place to Work in Nigeria Award.



PORTLAND PAINTS & PRODUCTS NIGERIA PLC

The downturn in the Construction, Property and Oil & Gas sectors of the economy in 2016 adversely affected the volumes traded by the Company. Portland Paints & Products Nigeria Limited however made some progress in repositioning the business and enhancing its distribution model.



MDS LOGISTICS LIMITED

Growth in the pharmaceutical division led to MDS Logistics Limited recording improved revenue and operating profit, in spite of the current economic conditions. MDS maintained its leading position in outbound supply chain services in the country.



WARM SPRING WATERS NIGERIA LIMITED

The Company experienced several operational bottlenecks and disruptions in manufacturing due to high energy costs and infrastructural challenges etc., which culminated in turnover and profit decline.

DIRECTORS' REPORT



UPDC PLC

UPDC's performance mirrored the challenges in the macro-economic environment with its attendant effect on the real estate sector. Losses were recognized on certain projects, impairment of investments in a joint venture project and significant increase in financing costs were recorded.

In spite of the headwinds and attendant impact on the business, UPDC successfully completed Alexander Miller Apartments, Lekki; Pinnacle Apartments, Maitama; and The Residences, Festac.



UNICO CPFA LIMITED

The bearish equity market and low interest on money market instruments in the first half of the year affected the Funds under Management adversely. The Company was however able to meet its 2016 profit target due to pro-active cost containment.

29th day of March, 2017

By Order of the Board

Godwin Abimbola Samuel, Esq.
Company Secretary/Legal Adviser
FRC/2013/NBA/0000000608

Distributors List

CAP PLC

1. House Affairs Ikeja, Victoria Island Lagos
2. Treaty Project Limited, Port-Harcourt/Asaba
3. Edeoga Nig. Lt, Abuja/Kaduna State/Jos
4. First Ebony Investment, Lekki - Epe, Lagos
5. Amehgate Integrated Services, Abuja/ Gombe
6. Taes Concept Limited, Abuja
7. Ambroziny Int. Ltd, Enugu
8. Stanzel Associate, Abuja
9. Chrisbaki Nigeria Ltd, Warri
10. Marco Bruno, Port-Harcourt

Portland Paints Sandtex Experience Centres

1. Yusaj Nigeria Company, Warri
2. Femsamond Nig. Enterprise, Onitsha
3. Airspai Nigeria Limited, Ikeja
4. Building Technical Nig. Limited
5. Dbuns Global Company, Abuja
6. Ay & B Nigeria Limited , Sokoto
7. C. Igbe Nigeria Limited, Benin City
8. Fem Fem Ventures, Ibadan
9. Gokm Ideas Services, Akure
10. Cyw Kaduna Depot, Kaduna

Uac Foods Limited

Snacks

- | | |
|----------------------|---------------|
| 1 Rondasy Ent. | Lagos |
| 2 Japio Stores | Mile 2. |
| 3 Skyseed Ventures | Enugu |
| 4 Nkechi Ekwufolu | Onitsha |
| 5 Don Chris Ventures | Onitsha |
| 6 Sunny Bros Venture | Onitsha |
| 7 Ogunkoya Stores | Oshodi |
| 8 Madonna Foods | Owerri |
| 9 Musbass Commercial | Maryland. |
| 10 Lakeshad'r' Ent | Oregun, Lagos |

Swan

- | | |
|------------------------|---------|
| 1 S.C. Okonkwo Nig Ltd | Jos |
| 2 Valerie Claire Nig | Abuja |
| 3 Mike Sopson Nig Lt | Jos |
| 4 C . C Ozoemena & C | Jos |
| 5 Ayi Investment | Kaduna |
| 6 Olayiwola Stores | Jos |
| 7 Tkc Enterprises | IBauchi |
| 8 Naf And Man Global | Abuja |
| 9 Godsway Nig Ltd | Abuja |
| 10 Tars Ideal Concept | Jos |

Dairies

- | | |
|------------------------|---------------|
| 1 Blessing & Wisdom | Lagos |
| 2 Naf & Man Global | Abuja |
| 3 Genesis Osha | Nnewi |
| 4 Zitonia Vent. | Enugu |
| 5 Sweet Sensation Co | Lagos |
| 6 Hadlauch Nigeria Ltd | Asaba |
| 7 Shebag Holdings | Kaduna |
| 8 Davobeth | Benin City |
| 9 P & P Nig Ltd | Port-Harcourt |
| 10 Davace Ventures | Lagos |

Livestock Feeds

- | | |
|----------------------------------|---------------|
| 1. Stet Nig. | Abia |
| 2. Oore-Ofe | Oyo |
| 3. Paspro Farms & Ind. | Jos |
| 4. Doo-Doo Nig. Ent. | Jos |
| 5. Claokis Martins Agro | Warri |
| 6. Daftos Farms Nigeria Limited | Ibadan |
| 7. Nwabuking Nigeria Enterprises | Port-Harcourt |
| 8. Okpako Vison Complex Ltd | Ughelli |
| 9. Denajcom Unique Concept | Jos |
| 10. Immaculate Farms | Ikorodu |

DIRECTORS' REPORT

Grand Cereals Limited

1. Phed Agro - Kano
2. Benita Ventures - Jos
3. Jeromaski Farms And Haulage Comp - Kaduna
4. Jehns Enterprises - Nassarawa
5. Favour & Favour Nigeria Limited- Port-Harcourt
6. Makor Trading Company - Jos
7. Feeze Nig Ent - Aba
8. Mary Ventures - Jos
9. Evamos Links Ventures - Owerri
10. Lawlad Integrated Services — Jos

Mds Depot Lists

EAST

1. Aba 1 8, Factory Road, Abia
2. Aba 2 13, Factory Road, Abia
3. Abakaliki Km 7, Abakaliki-Enugu Highway, Ebonyi
4. Calabar Plot 32, Northern Industrial Estate Harbour Road, Cross River
5. Enugu 20, Okpara Avenue
6. Onitsha Plot 5, Dozzy Crescent, Niger Bridge Head, Anambra
7. Owerri Km 5, Okigwe Road Off Mbieri, Orji, Imo
8. Port-Harcourt 1 4, Forces Avenue Old Gra, Rivers
9. Port-Harcourt 2 175/177 Worldwide Road Trans Amadi, Rivers
10. Umuahia 2, Mayne Avenue Opp. First Bank, Abia
11. Uyo Km 11, Ikot Ekpene Road
12. Uac House, Akwa Ibom

West

1. Abeokuta Uac Complex Ibara Roundabout, Ogun
2. Abule-Egba 8, Abraham Afolabi Street U-Turn Bus Stop, Lagos
3. Acme Plot 11, Vori Close Acme Road, Ogba, Lagos
4. Adeniyi Jones 2, Ajao Road Adeniyi Jones, Lagos

5. Ado Ekiti Km 3, Ado-Ikere Road Ekiti
6. Oshogbo 3, Station Road Opp. General Post Office, Osun
7. Oyo Ishola Motors Building Ogbomoso Road
8. Akure Km 4, Ondo Road Onward Aluminium, Ondo
9. Apapa 16, Creek Road, Lagos
10. Benin 27, Oba Market Road Edo
11. Ibadan 1, Magazine Road Jericho, Dugbe, Oyo
12. Ijebu-Ode 174, Folagbade Street Ogun
13. Ilorin 111, Murtala Mohammed Way Kwara
14. Marina 70 Marina Street, Elegbeta, Lagos
16. Sapele 6, Palm Avenue, Delta
17. Warri Orhuwhorun Road, Intl Furniture Ltd, Mofor, Delta
18. Ondo 2, Ododibo Street, Idi Isin
19. Oregun, 32, Kudirat Abiola Way, Lagos

North-North

1. Gusau 36, Canteen Road Trading Layout, Zamfara
2. Kaduna 1 3, Makera Road Off Kachia Road
3. Kaduna 2 1, Waziri Ibrahim Crescent Abakpa, Gra
4. Kano 33, Niger Street Kano
5. Katsina Plot 12, Nagogo Road Gra
6. Maiduguri 10, Nguru Road Borno
7. Sokoto 8, Abdullahi Fodio, Sokoto
8. Zaria 4, Manchester Road Kaduna

DIRECTORS' REPORT



North-Central

1. Abuja Idu Industrial Estate Off Jabi/Airport Road
2. Bauchi 10-12 Maiduguri Bye-Pass
3. Bida 64, Zungeru Road, Niger
4. Gombe Plot 8, Biu Road, Gombe
5. Jalingo 5B, Hospital Road Taraba
6. Jos 2 Plot 6660, Anglo Jos Industrial Layout Plateau
7. Lokoja 10, Uac Main Building Uba Road, Waterside, Kogi
8. Makurdi 1 Beach Road New Garage, Wadata, Benue
9. Minna S3, Ibrahim Dada Paiko Road Off Shiroro Road, Niger
10. Suleja Kaduna/Lokoja Express Way Dumex Junction, Niger
11. Jos 1 28, Murtala Mohammed Way Plateau
12. Yola 42, Kashim Ibrahim Way, Jimeta, Adamawa

Store in Market Locations - 16

Offsite Inventory Locations - 50

Total MDS Managed Locations - 117

Warm Springs Waters Nigeria Limited

- | | |
|-------------------------------------|---------------|
| 1. Odenu Ventures | Ajah |
| 2. Flowater Nigeria Limited | Port Harcourt |
| 3. Samfelson Oluwaseyi Nig Ventures | Ado-Ekiti |
| 4. Ifeyinwa Joy Nwobu (Mrs) | Awka |
| 5. Biobak Kitchen | Abuja |
| 6. Sunic Foods | Owerri |
| 7. Edvan Nig Limited, | Benin-City |
| 8. Tessac Nig. Limited, | Ado-Ekiti, |
| 9. Family Pride | Sabo |
| 10. Efakwu Ome Benson Ent. | Lokoja |

Mr Biggs Restaurants' Key Franchisees

1. Ikeja Mall, Lagos State
Eleutheria Nig Limited
Mrs Titlayo Adeojo

2. Maryland , Lagos State
Special Brand Limited
Mr Chijioke Dozie
3. Nnewi, Anambra State
Calvary Foods Ltd
Mr Sam Nnamonu
4. Asaba, Delta State
Sunpaul Sidney Nig. Limited
Mrs Pauline Nwana
5. Fegge, Onitsha, Anambra State
Delicacy Foods Limited
Dr Alex Obiogbolu
6. Oshodi, Lagos State
Fun-Phil Resources Limited,
Mr & Mrs Babasola
7. Ifako, Gbagada, Lagos State
Isibriel Nig Limited
Mr. Gabriel Erecheabor
8. Sapele Road, Benin, Edo State
Riths Global Ventures Limited,
Mrs Momoh
9. Sagamu, Ogun State
Couger Ventures Limited
Mr.& Mrs Olabode Onanuga
10. Aggrey Road Port Harcourt, Rivers State
C&C Pharma Vets. Limited
Dr. Charles Onyeagba



1. Presentation of Gifts by UAC Foods Limited to the Down Syndrome Foundation
2. Presentation of Gifts by UAC Foods Limited to Modupe Cole Memorial
3. MDS/CAP PLC Tree Planting Event

HUMAN RESOURCES REPORT

EMPLOYMENT POLICY AND EMPLOYEE WELFARE

Our Company is a signatory to the Principles of UN Global Compact. Our business policies and practices are aligned with the principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption. It is the policy of the Company that there shall be no discrimination in the employment, training and career development of all categories of people in terms of gender, race, ethnic origin, tribe, religion or creed, except where otherwise permitted by law. Ours is an equal opportunity company. In furtherance of this policy the Company is committed to:

- Giving every employee a sense of belonging by operating competitive and fair performance and reward systems;
- Assisting and encouraging every employee to develop their ability to the maximum, not only in their chosen career, but also in other identified areas of interest within their capabilities and to pay careful attention to their work and progress;
- Encouraging employees to be good citizens by being law-abiding and participating in civil and social activities in their private time;
- Encouraging employees to develop and maintain healthy habits and provide reasonable medical facilities for every employee and their immediate families, as applicable under the Company Medical Scheme;
- Recognizing the freedom of employees to form and /or join a responsible and truly representative Trade Unions or Associations.

HEALTH AND SAFETY

It is our policy to ensure that employees work in safe and clean environment. Towards this end, the Company enforces strict adherence to safety rules and practices through its Safety, Health and Environment (SHE) Officers and Committees in various locations. Safety trainings and Fire Drills are regularly organised to keep employees at alert at all times. Our office environment is continually renovated and modernised in line with the trend in the industry. The company's employees responsible for SHE are constantly trained and sponsored to become SHE certified professionals.

One of our Subsidiary Companies, Portland Paints & Products of Nigeria PLC was a recipient of the NECA/ NSITF Safe Work Place Intervention Project and was awarded an ambulance vehicle in 2016. UAC Foods Limited, Grand Cereals Limited and CAP PLC have also won the award in the recent past.

HIV/AIDS

Our Company works to ensure a safe healthy working environment through basic training to inform, educate and train all Employees on HIV/Aids prevention, care and control. We do not discriminate against or terminate the appointment of any employee on the basis of his or her HIV status. The HIV status and medical records of any individual are kept as strictly confidential. As much as possible, care is taken to support such individuals by providing counselling and medical support services.

HUMAN RESOURCES REPORT

WELFARE

The company provides lunch to Employees in various parts of the country to ensure the health and vitality of the Employees. Recreational facilities are also available in some locations. Employees are continually briefed on health issues as they affect them. In addition, free medical care is provided for all employees, while voluntary health screening exercises are also provided to Employees on an ongoing basis.

We implement a number of programmes to ensure that our Employees have work-life balance. Employees are encouraged to strictly observe their annual vacation as at when due. The Company believes this will provide them opportunity to refresh and renew to stay healthy to perform better on the job. It is the company's policy not to allow accumulation of leave beyond one year except at the instance of the company under extremely special circumstances. Work is organised to enable Employees work within the official business hours to catch up with their social life and family obligations. The compassionate leave normally granted bereaved Employees' has been increased to one week (5 working days), while Paternity Leave was introduced for Male Employees whose wives are delivered of babies.

Our Closed User Group phone facility cover Managers' spouses in order to promote communication between spouses.

RELATIONS WITH EMPLOYEES, INTERNAL MANAGEMENT STRUCTURE

Our Employees are fully involved in strategy formulation and execution, in order to achieve business plan ownership and commitment at all levels. Regular meetings are held at different levels to ensure that all Employees are given the opportunity to interact with one another and with higher levels of Management for exchange of ideas and sharing of relevant business information. The Annual Business Retreat attended by Leadership Teams of Corporate Centre and Business Units has recently been extended to Management Trainees and lower levels of Management for them to have a feel and make contributions to the strategic business issues and annual plans of the Group. Others include Joint Consultative Committees (JCCs), Business Review Meetings; Open Forum/Community Briefings/Family Meetings and Leadership Team (LT) meetings in the various Business Units and the Corporate Centre which provide additional opportunities for interaction.

We also have in place Counselling Sessions between Executive Management and different categories of Employees. These sessions allows management to proactively engage the talents with a view to promoting employee involvement and retention. These meetings are regularly complemented by Circulars on issues of current relevance to the Business and employees.

As a further support for our Employees, our Coaching and Mentoring programme which commenced in 2015 was reinvigorated during the year with the introduction of an emotional intelligence assessment tool for employees in the company's talent pool.

HUMAN RESOURCES REPORT



EMPLOYEE INVOLVEMENT, DEVELOPMENT AND TRAINING

Our policy recognises human resources as the most important asset of the organisation. We therefore consider it imperative to retain and motivate a competent and productive work force through systematic training and development. Consequently, training forms a significant part of individuals' development towards achieving excellence in the performance of their day to day job responsibilities. Our training programme consists of customised internal programmes complemented by choice training with other notable organisations in Nigeria and overseas coupled with industrial visits/attachments where necessary. We also encourage self-development by our employees and provide financial support for such programmes where relevant and approved, when successfully concluded. We pride ourselves as an organisation that encourages learning through planned on-the-job coaching and mentoring.

In line with the company's objective of ensuring that value is derived from its Joint Venture Partnerships, learning Academies have been introduced in collaboration with our Joint Venture Partners in the areas of their strength or functional expertise. This initiative which commenced with the Supply Chain Academy programme will help in enhancing employee development and productivity.

In order to continuously rejuvenate the organisation through the injection of new employees, we are conducting the second stream of the Graduate Specialist Scheme in addition to the existing Management Trainee Scheme. The successful candidates from these schemes will be resuming by mid-year in 2017.

EMPLOYEE ENGAGEMENT INITIATIVE

Our Company having recognised that engaged employees drive stakeholder value partners with the Great Place to Work Institute Nigeria, an international organisation acclaimed for their global expertise in workplace surveys published annually in the '100 Best Companies to Work for' in over 56 Countries globally. The objective of this exercise is to obtain feedback from employees while benchmarking UAC workplace practices against its peers and Global Best Companies. This is driving management development effort, alignment of policies and practices geared towards making UAC a Great Place to Work and an employer of choice.

In 2016, one of our subsidiary Companies, CAP PLC was listed as one of Nigeria's top ten companies in the 2016 Great Place to Work Award.

CODE OF BUSINESS CONDUCT

We have reviewed and updated UACN Code of Business Conduct in line with best practice. Under the Code, our Company does not give or receive whether directly or indirectly, bribes or other improper advantages for business or financial gain. No Employee may offer, give or receive any gift or payment, which is or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to Management. No Employee will be penalised for any loss of business resulting from adherence to these principles. The Company's accounting

HUMAN RESOURCES REPORT

records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained. In line with the reviewed Code, the Company introduced an on-line application to facilitate e-Learning and assessment of employees' understanding and application of the Code in simulated work situations. Employees were required to log in from their system and take the assessment which has 80% as its pass mark.

All employees, on an annual basis are required to read the UACN Code of Business Conduct, take the assessment and sign off as a mark of awareness of their obligation to abide with its contents in their day to day business transactions.

A Whistle Blowing Policy is in place to encourage employees and other stakeholders to inform management of any untoward behaviour that affects the value, performance and / or image of the company. To further strengthen this process, the company outsourced the management of the Whistle-Blowing mechanism to a professional services company thereby providing employees and other stakeholders an independent alternative to the existing established internal mechanism.

Additionally, a Corporate Fraud Policy has been established to facilitate the deployment of controls which will aid in the prevention and detection of fraud within the company. The objective of the policy is to promote consistent organizational behaviour by providing guidelines and assigning responsibilities for the deployment of controls and conduct of investigations.

CORPORATE SOCIAL RESPONSIBILITY REPORT



Goodness League, the Corporate Social Responsibility initiative of UAC of Nigeria PLC continues to build on the rich legacies and achievements of the Company in the educational sector over the years, under the platforms of UAC Schools Support Programme and the Free Weekend Classes.

The League seeks to address both hard and soft issues in the educational sector. The hard issues focus on the positive intervention in legacy schools through the provision of infrastructure, power and equipment. The Soft Issues aim to identify academic knowledge gaps amongst students in the focused geographies and fills the gaps through a Volunteer scheme of appropriate career and guidance talks, counselling sessions, holiday classes and mentoring.

The Free Weekend Classes kicked off in Lagos successfully in July 2016 with UAC Managers, as volunteer teachers, providing free teaching lessons to students in Lagos State. To make the programme more inclusive and enable other parts of Lagos State benefit from the initiative, the programme moved to Agege/Iyana Ipaja axis, at the Government College, Agege, Lagos, after previously holding at the Lanre Awolokun Senior Secondary School, Gbagada Centre and Newland Senior Secondary School, Ajegunle Centre in the Ajeromi/Ifelodun Local Government Area both in Lagos State. The subjects taught during the Free Weekend classes included Career Guidance and Counselling, English, Mathematics, Biology, Chemistry, Physics, Economics, Accounts and Government.

The Free Weekend Classes focus on two key areas - Weekend Classes and Career and Guidance counselling sessions in Schools. The Classes are targeted at final year senior secondary school (SSS3) students and hold during the summer holiday period while the Career and Guidance sessions hold when schools are in session. The Counselling sessions target senior secondary school students (SSS1 - 3). Both programmes have been very well received by the benefiting schools, students and other stakeholders.

UAC's intervention through the Legacy Schools Support programme has been a resounding success with positive impact on Legacy Schools in the South-West, North-West, North-Central, South-South and South-East geo-political zones of the country.

CORPORATE SOCIAL RESPONSIBILITY REPORT

LIST OF UAC GOODNESS LEAGUE BENEFICIARIES ACROSS NIGERIA

SCHOOL	INTERVENTION
1. St Finbarr's College, Akoka, Lagos	150 KVA Power Generator & Physics Laboratory equipment
2. CMS Grammar School, Bariga, Lagos	Comprehensive renovation of abandoned Technical block
3. Rumfa College, Kano	Science Equipment - Physics, Chemistry & Biology
4. Govt. Sec. School, Gwale, Kano	200 three-seater desks
5. Alhudahuda College, Zaria	Science Equipment - Physics, Chemistry & Biology
6. Govt. College, Kaduna	Science Equipment - Physics, Chemistry & Biology
7. Enitonna High School, Port Harcourt	Science Equipment - Physics, Chemistry & Biology
8. Holy Family College, Abak, Akwa Ibom	Sets of computers, printers and UPS
9. Holy Trinity College, Mbiakong, Akwa Ibom State	Comprehensive renovation of dormitory block and refectory
10. Govt. College, Gindiri, Plateau State	Science Equipment - Physics, Chemistry & Biology
11. Govt. College, Keffi, Nassarawa State	200 three-seater desks
12. St Mount Gabriel's Sec School, Makurdi	Science Equipment - Physics, Chemistry & Biology
13. Govt. College, Bida	Science Equipment - Physics, Chemistry & Biology
14. College of The Immaculate Conception, Enugu	Science Equipment - Physics, Chemistry & Biology
15. Dennis Memorial Grammar School, Onitsha	Science Equipment - Physics, Chemistry & Biology
16. Christ The King College, Onitsha	Science Equipment - Physics, Chemistry & Biology
17. Bishop Shanahan College, Orlu	Science Equipment - Physics, Chemistry & Biology
18. Methodist Boys College, Uzuakoli	Science Equipment - Physics, Chemistry & Biology



1



2



3



4

1. UAC 2016 Goodness League Free Weekend Classes Closing Ceremony.
2. NECA/NSITF's presentation of an Ambulance to Portland Paints and Products Nigeria PLC for promoting "Excellent Safety Culture in The Work-Place"
3. CAP PLC is listed as one of Nigeria's top ten companies in the 2016 Great Place to Work Awards.
4. Tour of the new GCL Grand Corn flakes Line by the GMD/CEO UAC and Team.



Silver Winner

UAC wins Silver (Business Transformation) SAP Quality Award for SAP Implementation. The First Nigerian Company to win this award in the continent of Africa.



Financial Statements

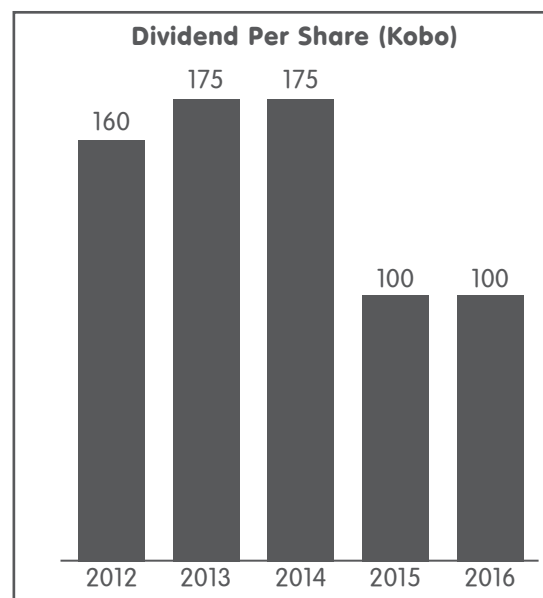
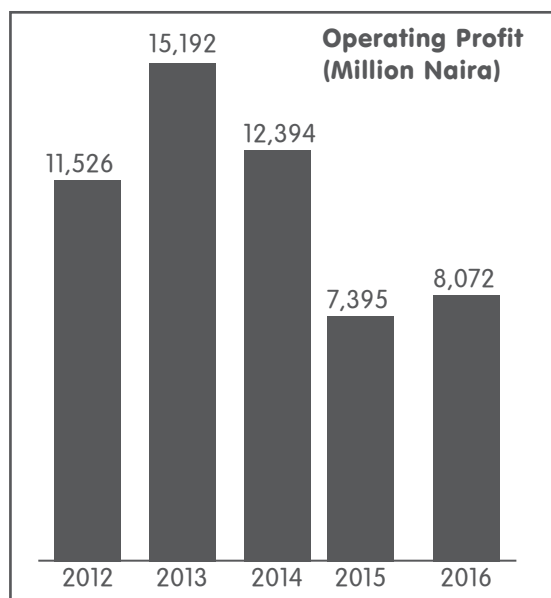
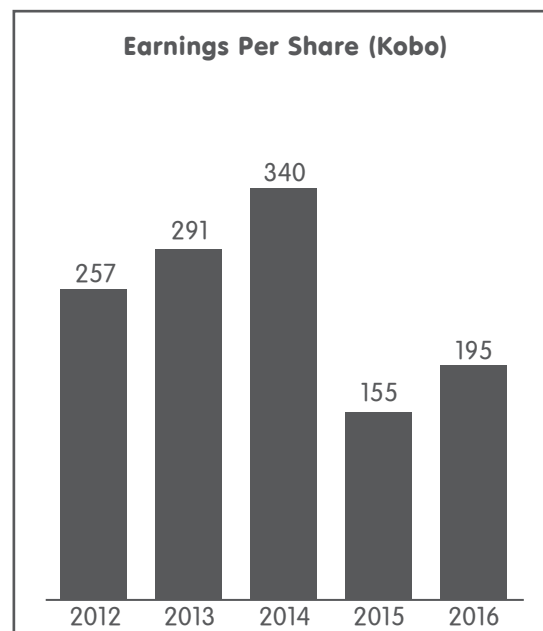
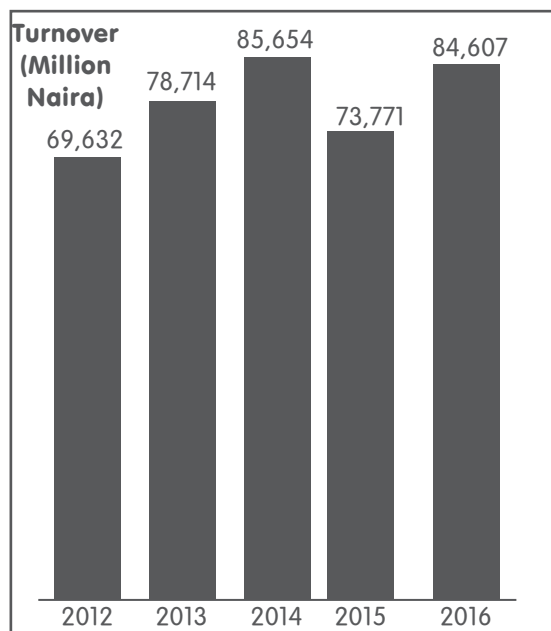
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Salient Performance Graphs



Independent Auditor's Report



Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of UAC of Nigeria PLC and its subsidiaries (the Group) which comprise the consolidated and separate statements of financial position as at 31st December, 2016, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of UAC of Nigeria PLC and its subsidiaries as at 31st December, 2016, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of UAC of Nigeria PLC and its subsidiaries. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of UAC of Nigeria PLC and its subsidiaries. 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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.



Independent Auditors' Report

Key Audit Matter

Assessment of Goodwill impairment
(Consolidated Financial Statements)

The goodwill balance of ₦548.7 million, which principally relates to the acquisitions of Portland Paints & Product Nigeria PLC and Livestock Feeds PLC in 2013, is supported by an annual impairment review. No impairment charge has been recorded against these balances in the current financial year. The value in use assessment to support the continued carrying amount of Goodwill involves the application of judgment about future business performance. Certain assumptions made by Management in the impairment review are considered by the engagement team to be key areas of judgment, notably the forecast cash flows, the overall growth rates and the discount rates applied.

The annual impairment test is significant to our audit because the balance involved is significant and the assessment process is complex and requires significant judgment.

The disclosure of the significant inputs is set out in Note 13 Intangible Assets and Goodwill.

How the matter was addressed in the audit

Our audit procedures include, amongst other, the following:

We reviewed Management's key assumptions used in the impairment model for Goodwill to determine the value in use of the cash generating unit to ensure is in compliance with the requirements of IAS 36 Impairment of Assets.

We evaluated Management's future cash flow forecasts and the process by which they were determined and approved, including checking that the forecasts were consistent with the latest Board approved budgets and confirming the mathematical accuracy of the underlying calculations.

We also considered the accuracy of previous forecasts made by Management. We obtained corroborating evidence regarding the carrying value of Goodwill, and the related disclosures, through challenging:

- Key assumptions for growth rates in the cash flow forecasts by comparing them to historical results, and economic forecasts; and
- The discount rates by independently estimating a range based on market data.

We performed sensitivity analysis around these assumptions to ascertain the extent of change that individually, or in combination, would be required for the Goodwill to be impaired.

Independent Auditors' Report



Key Audit Matter

Significant Inventory Write Downs
(Consolidated Financial Statements)

During the year, inventory (being the assets under construction) was written down by ₦1.7 billion to its net realisable value following the review of all ongoing projects against the expected selling price.

The net realisable value has been estimated using the comparison between the Capital Expenditure Memorandums prepared for each project at the inception of the project with cost incurred to date and additional cost to complete each project.

The determination of these costs requires the use of Management's judgement, the use of estimates submitted by experts, estimations of inflation rates affecting prices of construction materials as well as estimations of the impact of exchange rates in sourcing materials necessary to complete the project.

The disclosure of the impairment of the inventory is set out in Note 6(i) Other losses.

How the matter was addressed in the audit

Our audit procedures include, amongst other, the following:

- We compared the carrying value of inventory (Assets under construction) with the recoverable amount to ensure that these assets are carried at the lower of cost and Net realisable value.
- We critically evaluate the calculations performed by management's internal and External Experts (being the Engineers and Quantity Surveyors involved on the Projects) to assess their reasonableness. We use our understanding of similar projects and the industry, and our evaluation of any costs that have already been contracted for, to make this assessment.
- We compared estimates made by the experts on projects completed in prior periods to the actuals achieved for these projects to determine whether the estimates were reasonable in the past.
- We evaluated the level of competencies and expertise of the internal and external experts used to determine whether they are fit for purpose.
- We recalculated the expected cash to be generated taking into consideration inflation rate, time value of money and other cost to be incurred to sell.
- We also assessed the adequacy of the disclosures regarding the project losses in the consolidated financial statements to determine they were in accordance with IFRS.

Independent Auditors' Report

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Chairman's Statement, Statement of Directors' Responsibility, Report of the Audit Committee, Value Added Statement and Five Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the Consolidated and Separate Financial Statements and our Auditors' Report thereon.

Our opinion on the Consolidated and Separate Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Consolidated and Separate Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated and Separate Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this Auditors' report, 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 Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the Consolidated and Separate Financial statements in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated and Separate Financial Statements that are free from material misstatement, whether due to fraud or error .

In preparing the Consolidated and Separate Financial Statements, the Directors are responsible for assessing the Group and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated and Separate Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

Independent Auditors' Report



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 Consolidated and Separate Financial Statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and 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 the 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 group and 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 Auditors' Report to the related disclosures in the Consolidated and Separate 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 Auditors' Report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group and the company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding

Independent Auditors' Report

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Consolidated and Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our Auditors' 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

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

In our opinion proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books; and

The Group and the Company's Consolidated and Separate Statement of Financial Position and Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of account.



Yusuf Aliu, FCA

FRC/2012/ICAN/00000000138

For: Ernst & Young

Chartered Accountants

Lagos, Nigeria



31st March, 2017



Report of the Audit Committee to the Members of UAC of Nigeria PLC

In compliance with Section 359 sub-section 6 of the Companies and Allied Matters Act (CAP C20), Laws of the Federation of Nigeria, 2004, we have reviewed the audited Financial Statements of the Company for the year ended 31st December, 2016 and report as follows:

- (a) The accounting and reporting policies of the Group and the Company are consistent with legal requirements and agreed ethical practices.
- (b) The scope and planning of the external audit are in our opinion adequate.
- (c) The internal audit and internal control systems are adequate.
- (d) The External Auditors' Management Letter was satisfactorily dealt with by the Management.

MR. OLABISI FAYOMBO

FRC/2013/ICAN/00000002883

CHAIRMAN OF THE COMMITTEE

Dated 28th day of March, 2017

MEMBERS OF THE COMMITTEE

Mr. Olabisi Fayombo	- Chairman
Mr. Matthew Akinlade	- Member
Mr. Nwosu Nnabike	- Member
Mrs. Awuneba Ajumogobia	- Member
Mr. Babatunde Kasali	- Member
Dr. Umaru Alka	- Member

SECRETARY

GODWIN A SAMUEL, Esq.



Members of the Audit Committee

From left to right: Mr. Olabisi Fayombo, Dr. Umaru Alka, Mrs. Awuneba Ajumogobia, Mr. Matthew Akinlade, Mr. Nwosu Nnabike, Mr. Babatunde Kasali

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Financial Highlights

	2016	Group		2016	Company	
	N'000	2015	%	N'000	2015	%
		N'000	change		N'000	change
Revenue	84,606,570	73,771,244	15	912,307	820,655	11
Operating profit	8,072,354	7,395,089	9	1,513,419	2,481,100	(39)
Net finance (cost) / income	(1,387,220)	(1,449,473)	(4)	1,500,755	1,478,066	2
Share of net profit/loss of associates and joint venture using the equity method	1,089,747	1,787,461	(39)	-	-	-
Profit before tax	7,774,880	7,733,077	1	3,014,174	3,959,166	(24)
Income Tax Expense	(2,108,343)	(2,570,339)	(18)	(386,885)	(455,804)	(15)
Profit for the year	5,666,538	5,162,738	10	2,627,290	3,503,362	(25)
Other comprehensive income for the year net of tax	(112)	(3,004)	-	-	-	-
Total comprehensive income for the year net of tax	5,666,426	5,159,734	10	2,627,290	3,503,362	(25)
Total Equity	76,465,540	74,142,024	3	22,291,514	21,585,089	3
Total equity and liabilities	138,229,559	128,655,328	7	29,481,890	27,572,156	7
Cash and Cash equivalents (excluding bank overdrafts)	9,545,585	9,212,399	4	4,250,546	3,431,237	24
Earnings per share (kobo) - Basic	195	155		137	182	
Dividend per share (kobo) - Proposed	100	100		100	100	
NSE quotation as at December 31 (kobo)	1,681	3,400		1,681	3,400	
Number of shares in issue ('000)	1,920,864	1,920,864		1,920,864	1,920,864	
Market Capitalisation as at 31st December (N'000)	32,289,724	65,309,376		32,289,724	65,309,376	



Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income For the year ended 31st December 2016

	Notes	The Group		The Company	
		31 Dec 16 N'000	31 Dec 15 N'000 Re-presented	31 Dec 16 N'000	31 Dec 15 N'000
Revenue	5	84,606,570	73,771,244	912,307	820,655
Cost of sales		(67,250,807)	(56,962,613)	-	-
Gross profit		17,355,763	16,808,631	912,307	820,655
Dividends Income	-	-	-	1,728,393	3,216,353
Other operating income	6	3,882,573	1,968,741	260,314	343,324
Selling and distribution expenses	7	(3,390,329)	(3,463,423)	-	-
Administrative expenses	7	(7,331,716)	(7,202,592)	(1,387,597)	(1,717,984)
Other operating losses	6(i)	(2,443,937)	(716,268)	-	(181,249)
Operating profit		8,072,354	7,395,089	1,513,419	2,481,100
Finance income	8	1,561,700	1,568,103	1,500,755	1,478,066
Finance cost	8	(2,948,920)	(3,017,576)	-	-
Net finance (cost) / income		(1,387,220)	(1,449,473)	1,500,755	1,478,066
Share of profit/loss of associates and joint venture using the equity method	17.3	1,089,747	1,787,461	-	-
Profit before tax		7,774,880	7,733,077	3,014,174	3,959,166
Income Tax Expense	9	(2,108,343)	(2,570,339)	(386,885)	(455,804)
Profit for the year		5,666,538	5,162,738	2,627,290	3,503,362
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
Net changes in fair value of available-for-sale financial assets	16	(112)	(3,004)	-	-
Tax on other comprehensive income		-	-	-	-
Other comprehensive income for the period net of tax		(112)	(3,004)	-	-
Total comprehensive income for the period net of tax		5,666,426	5,159,734	2,627,290	3,503,362
Profit attributable to:					
Equity holders of the parent		3,750,748	2,983,494	2,627,290	3,503,362
Non controlling interests		1,915,790	2,179,245	-	-
		5,666,538	5,162,738	2,627,290	3,503,362
Total comprehensive income attributable to:					
Equity holders of the parent		3,750,691	2,981,781	2,627,290	3,503,362
Non controlling interests		1,915,735	2,177,953	-	-
		5,666,426	5,159,734	2,627,290	3,503,362

Earnings per share attributable to owners of the parent during the period (expressed in Naira per share):

Basic Earnings Per Share	11	195	155	137	182
Diluted Earnings Per Share	11	195	155	137	182

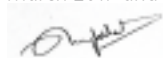
i.) In line with IFRS 5, Warm Spring Waters Nigeria Ltd has been re-consolidated as it no longer meets the IFRS criteria for classification as held-for-sale. Comparative figures for 2015 were adjusted (See Note 34)

Consolidated and Separate Statement of Financial Position

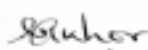
As at 31st December 2016

		The Group			The Company	
		31 Dec 16 N'000	31 Dec 15 N'000	31 Dec 14 N'000	31 Dec 16 N'000	31 Dec 15 N'000
	Notes	Re-presented	Re-presented			
Assets						
Non-current assets						
Property, plant and equipment	12	35,270,673	36,100,036	37,288,383	746,578	858,249
Intangible assets and goodwill	13	1,675,935	1,862,646	1,842,452	49,168	78,982
Investment property	14	19,870,234	20,035,327	19,924,421	3,032,200	2,984,600
Investments in associates and joint ventures	17	19,696,279	21,197,867	19,090,575	-	-
Available-for-sale financial assets	16	19,197	19,308	22,312	1,001	1,001
Investments in subsidiaries	15	-	-	-	11,759,874	11,641,051
Prepayment	20	13,402	10,789	25,032	-	-
Deferred tax asset	28	145,977	231,652	202,610	-	-
		76,691,696	79,457,625	78,395,786	15,588,821	15,563,883
Current assets						
Inventories	18	36,805,193	25,328,868	27,855,738	2,664	4,668
Trade and other receivables	20	15,187,085	14,656,437	16,001,084	9,639,859	8,572,367
Cash and Cash equivalents (excluding bank overdrafts)	21	9,545,585	9,212,399	8,108,053	4,250,546	3,431,237
		61,537,863	49,197,703	51,964,875	13,893,068	12,008,273
Total assets		138,229,559	128,655,328	130,360,660	29,481,890	27,572,156
Equity and Liabilities						
Ordinary share Capital	29	960,432	960,432	960,432	960,432	960,432
Share premium	29	3,934,536	3,934,536	3,934,536	3,934,536	3,934,536
Contingency reserve	29	28,575	28,575	28,575	-	-
Available-for-sale reserve		(5,561)	(5,504)	(3,792)	-	-
Retained earnings		41,500,304	39,670,420	40,048,438	17,396,547	16,690,122
Equity attributable to equity holders of the Company		46,418,286	44,588,460	44,968,190	22,291,514	21,585,089
Non controlling interests		30,047,253	29,553,564	30,109,541	-	-
Total equity		76,465,540	74,142,024	75,077,731	22,291,514	21,585,089
Liabilities						
Non-current liabilities						
Borrowings	22	5,275,238	8,093,404	7,680,773	-	-
Deferred tax liabilities	28	4,791,901	5,048,083	5,568,609	198,965	212,433
Government grant	24	9,214	32,240	56,633	-	-
Deferred revenue	25	4,600	15,751	214,085	-	-
Provisions	27	22,123	23,578	24,118	-	-
		10,103,075	13,213,055	13,544,219	198,965	212,433
Current liabilities						
Trade and other payables	23	17,919,261	15,850,886	14,566,679	815,791	629,248
Current income tax liabilities	9	4,885,789	4,749,821	4,481,335	2,355,689	2,277,742
Bank overdrafts and current portion of borrowings	22	24,521,196	17,294,027	20,476,607	-	-
Dividend payable	26	3,682,512	2,759,611	1,932,251	3,682,512	2,759,611
Government grant	24	226,652	228,521	81,132	-	-
Deferred revenue	25	300,778	307,361	92,759	80,642	65,991
Provisions	27	124,757	110,023	107,947	56,777	42,043
		51,660,944	41,300,250	41,738,711	6,991,411	5,774,634
Total liabilities		61,764,019	54,513,304	55,282,929	7,190,376	5,987,067
Total equity and liabilities		138,229,559	128,655,328	130,360,660	29,481,890	27,572,156

The financial statements and the notes on pages 49 to 168 were approved and authorised before issue by the board of directors on 29 March 2017 and were signed on its behalf by:



Mr Larry E. Ettah
GMD/CEO
FRC/2013/IODN/00000002692



Mr. Abdul A. Bello
ED/CFO
FRC/2013/ICAN/0000000724

The notes on pages 68 to 163 are an integral part of these financial statements.



Consolidated Statement of Changes in Equity for the year ended 31st December 2016

The Group

	Notes	Attributable to owners of the Company						Non controlling Interest N'000	Total N'000
		Share Capital N'000	Share Premium N'000	Contingency reserve N'000	Available for sale Reserve N'000	Retained Earnings N'000	Total N'000		
Balance at 1 January 2015		960,432	3,934,536	28,575	(3,792)	40,048,438	44,968,190	30,109,541	75,077,731
Profit and loss		-	-	-	-	2,983,494	2,983,494	2,179,245	5,162,738
Other comprehensive income									
Net changes in fair value of Available-for-sale financial assets	16	-	-	-	(1,712)	-	(1,712)	(1,292)	(3,004)
Transactions with Equity holders									
Dividends	10	-	-	-	-	(3,361,512)	(3,361,512)	(2,733,930)	(6,095,441)
Balance at 31 December 2015		960,432	3,934,536	28,575	(5,504)	39,670,420	44,588,460	29,553,564	74,142,024
Balance at 1 January 2016		960,432	3,934,536	28,575	(5,504)	39,670,420	44,588,460	29,553,564	74,142,024
Transfer to contingency reserve		-	-	-	-	-	-	-	-
Profit and loss		-	-	-	-	3,750,748	3,750,748	1,915,790	5,666,538
Other comprehensive income									
Net changes in fair value of available-for-sale financial assets	16	-	-	-	(57)	-	(57)	(55)	(112)
Transactions with Equity holders									
Dividends	10	-	-	-	-	(1,920,864)	(1,920,864)	(1,422,046)	(3,342,910)
Balance at 31 December 2016		960,432	3,934,536	28,575	(5,561)	41,500,304	46,418,286	30,047,253	76,465,540

Consolidated Statement of Changes in Equity for the year ended 31st December 2016

The Company

	Notes	Attributable to owners of the Company			TOTAL #’000
		Share Capital #’000	Share Premium #’000	Retained Earnings #’000	
Balance at 1st January, 2015		960,432	3,934,536	16,548,271	21,443,239
Profit and loss		-	-	3,503,362	3,503,362
Transactions with Equity holders					
Dividends paid	10	-	-	(3,361,512)	(3,361,512)
Balance at 31st December, 2015		960,432	3,934,536	16,690,122	21,585,089
Balance at 1st January, 2016		960,432	3,934,536	16,690,122	21,585,089
Profit and loss		-	-	2,627,290	2,627,290
Transactions with Equity holders					
Dividends	10	-	-	(1,920,864)	(1,920,864)
Balance at 31st December, 2016		960,432	3,934,536	17,396,547	22,291,514



Consolidated and Separate Statement of Cash Flow for the year ended 31st December 2016

	Notes	The Group		The Company	
		31 Dec 16 ₦'000	31 Dec 15 ₦'000	31 Dec 16 ₦'000	31 Dec 15 ₦'000
Cash flows from operating activities					
Cash generated from/(used in) operations	30	1,446,821	14,412,801	(396,117)	161,299
Corporate tax paid		(1,789,541)	(2,921,034)	(24,482)	(1,053,162)
VAT paid		(608,453)	(555,566)	(61,106)	(45,595)
Interest received		1,561,700	1,568,103	1,500,755	1,478,066
Interest paid		(3,196,057)	(3,224,621)	-	-
Net cash flow (used in)/generated from operating activities		(2,585,531)	9,279,685	1,019,050	540,608
Cash flows from investing activities					
Dividend received		-	-	1,728,393	3,216,353
Purchase of Intangible assets		(40,673)	(174,077)	(5,853)	(5,354)
Purchase of property, plant and equipment		(1,839,488)	(1,808,693)	(67,592)	(182,022)
Proceeds from sale of property, plant and equipment		652,219	313,001	11,627	11,169
Purchase of investment properties		(19,743)	(54,377)	(4,201)	(784)
Proceeds from sale of investment properties		2,125,050	276,365	110,000	35,000
Dividend from UPDC REIT		1,055,469	1,216,034	-	-
Recovery of previously impaired loan		10,000	130,000	10,000	130,000
Guaranty fees received		-	73,225	-	73,225
Net cash generated from investing activities		1,942,834	(28,523)	1,782,374	3,277,587
Cash flows from financing activities					
Dividends paid to non controlling interests		(1,422,046)	(2,733,930)	-	-
Dividends paid to Company shareholders		(1,863,293)	(3,242,072)	(1,863,293)	(3,242,072)
Proceeds from borrowings		33,616,190	10,356,759	-	-
Repayment of borrowings		(32,081,262)	(12,212,669)	-	-
Acquisition of additional shares -Portland Paints PLC		(118,824)	-	(118,824)	-
Net cash flow used in financing activities		(1,869,235)	(7,831,911)	(1,982,117)	(3,242,072)
Net (decrease)/increase in cash & cash equivalents		(2,511,932)	1,419,251	819,307	576,123
Cash & cash equivalents at the beginning of the year		7,403,773	5,983,738	3,431,237	2,855,113
Effects of exchange rate changes on cash and cash equivalents.		4,107	783	-	-
Cash & cash equivalents at the end of the period after adjusting for bank overdraft	21(i)	4,895,948	7,403,773	4,250,546	3,431,237

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

1 Corporate Information

The Consolidated Financial Statements of UAC of Nigeria PLC ('the Company') and its Subsidiaries (collectively, the Group) for the year ended 31st December 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 29th March 2017. UAC of Nigeria PLC. (the Company or the parent) is a limited company incorporated and domiciled in Nigeria and whose shares are publicly traded. The registered office is located at 1-5, Odunlami Street, Marina, Lagos.

The Group is a diversified business with activities in the following principal sectors: Foods & Beverages, Logistics, Real Estate and Paints. (See Note 5).

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

The Consolidated and Separate Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Consolidated Financial Statements have been prepared on a historical cost basis, except for investment properties and available-for-sale financial instruments that have been measured at fair value. The Consolidated Financial Statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated, the Consolidated Financial Statements provide comparative information in respect of the previous period.

The Financial Statements have been prepared on a going concern basis.

The policies set out below have been consistently applied to all the years presented.

2.1.2 Changes in Accounting Policy and Disclosures

(a) New and amended standards adopted by the Group

The Group has applied the following amendments to IFRS that have been issued and effective from 1st January, 2016. These are as follows:

IAS 1 Presentation of Financial Statements

The amendment to IAS 1 is designed to encourage entities to apply professional judgement in determining what information to disclose in the financial statements. The amendment clarifies that materiality applies to the whole financial statements and the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendment did not have a significant effect on the Group Financial Statements.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment to IAS 16 and IAS 38 clarifies that the basis of calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. The amendment further clarifies that revenue is generally presumed to be an inappropriate basis of measuring the consumption of economic benefits in such assets. The amendment did not have a significant effect on the group financial statements.

IAS 27 Separate Financial Statements

The amendment to IAS 27 allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment did not have a significant effect on the group financial statements.

IAS 34, Interim Financial Reporting

Amends IAS 34 to clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross reference between the financial statements and wherever they are included within the greater interim financial report (e.g. management commentary or risk report). This standard does not have any impact on this financial statement.

IFRS 5, Non-Current Asset Held for Sale and Discontinued Operations

This amends IFRS 5 with specific guidance on changes in disposal methods, for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases for which held for distribution accounting is discontinued. The amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new disposal plan, rather it is a continuation of the original plan. This standard does not have any impact on this financial statement.

IFRS 10, IFRS 12 and IAS 28, Investment Entities: Applying the Consolidation Exception

The Group has applied these amendments for the first time in the current year. The amendments clarify that the exemption from preparing consolidated and separate financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves. The application of these amendments has had no impact on the Group's consolidated and separate financial statements as the Group is not an investment entity.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants

The amendments to IAS 16 and IAS 41 Agriculture change the scope of IAS 16 to include biological assets that meet the definition of bearer plants (e.g., fruit trees). As a result of the amendments, bearer plants will be subject to all the

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

recognition and measurement requirements in IAS 16, including the choice between the cost model and revaluation model for subsequent measurement. Agricultural produce growing on bearer plants (e.g., fruit growing on a tree) will remain within the scope of IAS 41.

In addition, Government Grants relating to bearer plants will be accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, instead of IAS 41. This amendment does not impact the Group Financial Statements.

IAS 19 Employee Benefits - The Discount Rate: Regional Market Issue

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The amendment must be applied prospectively. This amendment does not impact the Group financial statements.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in IFRS 3 Business Combinations and other IFRSs that do not conflict with the requirements of IFRS 11 Joint Arrangements. Furthermore, entities are required to disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by one of the parties to the joint operation on its formation. Furthermore, the amendments clarify that, for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control. The amendment did not have a significant effect on the group financial statements.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing Contracts:

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7. B30 and IFRS 7.42C in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendment. This amendment does not impact this financial statements.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

(li) Applicability of the Offsetting Disclosures to Condensed Interim Financial Statements:

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. The amendments must be applied retrospectively. The Group did not publish interim financial statements as a result this amendment does not impact the Group Financial Statements.

IFRS 14 – Regulatory Deferral Accounts

IFRS 14 allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. The standard does not apply to existing IFRS preparers. Also, an entity whose current GAAP does not allow the recognition of rate-regulated assets and liabilities, or that has not adopted such policy under its current GAAP, would not be allowed to recognise them on first-time application of IFRS.

Entities that adopt IFRS 14 must present the Regulatory Deferral Accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate regulation and the effects of that rate regulation on its financial statements.

(B) New Standards, Amendments and Interpretations Issued, but not yet Effective

A number of new annual improvements to IFRSs 2010 - 2012 cycles were effective for the first time for financial reporting periods commencing on or after 1st January, 2017. However, none of the amended standards were adopted by the company in the period as they were not applicable in the preparation of the financial statements.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1st January, 2016 and have not been applied in preparing these consolidated financial statements. The list of these standards are as follows:

- IFRS 9, Financial Instruments - Effective 1st January, 2018
- IFRS 15, Revenue from Contracts with Customers - Effective 1 January 2018
- IFRS 16, Leases - Effective 1st January, 2019
- IAS 40 - Transfers of Investment Property
- IFRIC - Interpretation 22 Foreign Currency Transactions and Advance Consideration
- IFRS 2 - Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2
- IAS 12 - Recognition of Deferred Tax Assets for unrealised losses -Amendments to IAS 12
- IAS 7 - Disclosure Initiative - Amendments to IAS 7
- IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associates or Joint Venture
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

- First-time adoption of IFRS - Deletion of short-term Exemptions for first-time adopters
- IAS 28 Investments in Associates and Joint ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
- IFRS 12 Disclosure of interests in other entities - Clarification of the scope of the disclosure requirements in IFRS 12
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4"

The new standards or amendments to existing standards that may have an impact on the Group's Financial Statements are as provided below:

IFRS 9 Financial Instruments - Effective 1st January, 2018

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. The Standard introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. The standard further introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. The Group has started the process of evaluating the potential effect of this standard but is awaiting finalisation of the limited amendments before the evaluation can be completed. Given the nature of the Group's operations, this standard is expected to have a material impact on the Group's financial statements. IFRS 9 is effective for periods beginning on or after 1st January, 2018. The Group is currently in the process of assessing the impact that the initial application would have on its business and will adopt the standard for the year ending 31st December, 2018.

IFRS 15 Revenue from Contracts with Customers - Effective 1st January, 2018

IFRS 15 replaces IAS 11 Construction Contracts and IAS 18 Revenue. The Standard requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. This 5 step methodology includes: identify contracts with customers; identify the separate performance obligations; determine the transaction price of the contract; allocate the transaction price to each of the separate performance obligations, and; recognise the revenue as each performance obligation is satisfied

Key Changes to Current Practice are:

- 1) Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must be generally allocated to the separate elements
- 2) Revenue may be recognised earlier than under current standards if the consideration varies for any reasons
- 3) The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of the contract may have to be recognised over the contract term and vice versa
- 4) There are new specific rules on licences, warranties, non-refundable upfront fees and consignment arrangements, to name a few

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

These accounting changes may have flow-on effects on the entity's business practices regarding systems, process and controls, compensation and bonus plans, contracts, tax planning and investor communications.

The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 Leases - Effective 1st January, 2019

This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as required by IAS 17 and introduces a single lease accounting model. Applying that model, a lessee is required to recognise: - assets and liabilities for leases with a term of more than 12 months, unless the underlying assets is of low value; - depreciation of lease assets separately from interest on lease liabilities in statement of profit or loss

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases or finance leases, and to account for these two types of leases differently.

The Group is currently in the process of assessing the impact that the initial application would have on its business and will adopt the standard for the year ending 31st December, 2019. IFRS 16 is effective for annual reporting periods beginning on or after 1st January, 2019.

Disclosure Initiative (Amendments to IAS 7) - Effective 1st January, 2017

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. Entities are not required to present comparative information for earlier periods. The Group will adopt the amendments for the year ending 31st December, 2017. The amendments are effective for annual periods beginning on or after 1st January, 2017.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12) - Effective 1st January, 2017

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. Therefore, assuming that the tax base remains at the original cost of the debt instrument, there is a temporary difference. The impact on the financial statements of an entity will depend on the entity's tax environment and how it currently accounts for deferred taxes.

The amendment is not expected to have any significant impact on the consolidated financial statements of the Group. The Group will adopt the amendments for the year ending 31st December, 2017. The amendments are effective for annual periods beginning on or after 1st January, 2017.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Statement of Cash Flows (Amendments to IAS 7) - Effective 1st January, 2017

In January 2016, the IASB issued amendments to IAS 7 Statement of Cash Flows with the intention to improve disclosures of financing activities and help users to better understand the reporting entities' liquidity positions. Under the new requirements, entities will need to disclose changes in their financial liabilities as a result of financing activities such as changes from cash flows and non-cash items (e.g. gains and losses due to foreign currency movements). The amendment is effective from 1st January, 2017. The Group is currently evaluating the impact.

Amendments to IFRS 2- Classification and measurement of share based payment transactions effective for annual periods beginning 1st January, 2018

Measurement of cash-settled share-based payments

The amendments clarify that a cash-settled share-based payment is measured using the same approach as for equity-settled share based payments - i.e. the modified grant date method. Therefore in measuring the liability market and non-vesting conditions are taken into account in measuring its fair value and the number of awards to receive cash is adjusted to reflect the best estimate of those expected to vest as a result of satisfying service and any non-market performance conditions. The new requirements do not change the cumulative amount of expense that is ultimately recognized, because the total consideration for a cash-settled share based payment is still equal to the cash paid on settlement.

Classification of share-based payments settled net of tax withholdings

The Company may be obligated to collect or withhold tax related to a share-based payment, even though the tax obligation is often a liability of the employee and not the Company. The amendments introduce an exception stating that, for classification purposes, a share-based payment transaction with employees is accounted for as equity-settled if certain criteria are met.

The amendment is effective for annual reporting periods beginning on or after 1st January, 2018 with earlier adoption permitted. Specific transaction provision apply. The directors of the Group do not anticipate that the application of the amendments in the future will have a significant impact on the group's consolidated and separate financial statements as the Group does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share based payments.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



Amendments to IFRS 10, and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of amendment has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Group anticipate that the application of these amendments may have an impact on the Group's consolidated and separate financial statements in future periods should such transactions arise.

2.2 Basis of Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in Subsidiaries are carried at cost.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a Subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Goodwill is not amortised but tested on an annual basis for impairment. If Goodwill is assessed to be impaired, that impairment is not subsequently reversed.

All intra-Group transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intra-group transactions that are recognised in assets are also eliminated. Accounting policies of Subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes In Ownership Interests in Subsidiaries Without Loss of Control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their Capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of Subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an Associate, Joint Venture or Financial Asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates and Joint Ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes Goodwill identified on acquisition.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

If the ownership interest in an Associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate or Joint Venture equals or exceeds its interest in the Associate or Joint Venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the Associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the Associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the Associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an Associate' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its Associate are recognised in the Group's Financial Statements only to the extent of unrelated investor's interests in the Associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of Associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

2.4 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Naira (₦), which is the Group's presentation currency.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit or loss within.

Other Operating Profit and (Losses)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss using the exchange rates at the date when the fair value is determined. Translation differences on non-monetary financial assets measured at fair value in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

(c) Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each financial position presented are translated at the closing rate at the date of that financial position;
- (b) income and expenses for each profit or loss is translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions) and;
- (c) all resulting exchange differences are recognised in other comprehensive income.

2.5 Property, Plant and Equipment

Land and Buildings comprise mainly of Factories and Offices.

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.



Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Land and buildings held for use in the production or supply of goods or services, or for administration purposes, are classified as property, plant and equipment.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Leasehold properties are depreciated over their useful lives, unless the lease period is shorter, in which case the lease period is used. Depreciation on other assets is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

Leasehold land and buildings	Lease terms vary from 5 to 25 years
Plant and machinery	2 to 10 years
Office furniture and equipments	3 to 5 years
Motor vehicles	4 to 10 years
Computer equipments	3 to 5 years
Capital work-in-progress	Nil

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain 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 the statement of profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Impairment Note 2.8 for further detail).

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition or disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised within "Other" (losses)/gains in the statement of profit or loss.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

2.6 Intangible Assets

(a) Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39

Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, and then the gain is recognised in profit or loss.

After initial recognition, Goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where Goodwill has been allocated to a Cash-Generating unit (CGU) and part of the operation within that unit is disposed of, the Goodwill Associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for Capitalisation in terms of IAS 38 (refer to accounting policy on

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Computer Software below), all internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and assessed for impairment when there is an indication that the asset may be impaired. The amortisation period and the method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively.

Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment either individually or at the cash-generating level. The useful lives are also reviewed each period to determine whether the indefinite life assessment continues to be supportable. If not, the change in useful life assessment to a finite life is accounted for prospectively.

(c) Computer Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software acquisition and development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives, which does not exceed five years.

2.7 Investment Properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated Group, are classified as investment properties. Investment properties comprise mainly of commercial projects constructed and acquired with the aim of leasing out to tenants.

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. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position 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 Group makes use of internal and external valuation experts. Each property is valued by an external valuer annually.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments are not recognised in the financial statements.

The fair value of investment property does not reflect future Capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

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

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16.

2.8 Impairment of Non-Financial Assets

Assets that have an indefinite useful life-for example, Goodwill or intangible assets not ready for use-are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposed and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial Assets

2.9.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

(a) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(b) Available for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. These include investments in shares.

2.9.2 Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs, except for instruments carried at fair value through profit or loss which are recognised at fair value with transactions costs being expensed to profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities 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 equity are included in profit or loss as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of other income. Dividends on available-for sale equity instruments are recognised in the profit or loss as part of other income when the Group's right to receive payments is established.

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

Changes in the fair value of assets classified as fair value through profit or loss are recognised in profit or loss.

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When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of other income. Dividends on available-for sale equity instruments are recognised in the profit or loss as part of other income when the group's right to receive payments is established.

2.10 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11 Impairment of Financial Assets

(a) Assets carried at Amortised Cost

The group 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 a 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 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.

Evidence of impairment may include indications that the receivables or a group of receivables are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisations and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

In the case of trade receivables, allowance for impairment is made where there is evidence of a risk of non-payment taking into account ageing, previous experience and economic conditions.

For loans and other receivables category, 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 not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If an asset has a variable



Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

(b) Assets classified as Available for Sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets are impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement - is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through profit or loss. If in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through profit or loss.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.13 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Impairment is performed in accordance with the policy on impairment of financial assets 2.12(a). If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.14 Cash, Cash Equivalents and Bank Overdrafts

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown with borrowings in current liabilities.

2.15 Borrowings

Interest-bearing bank loans and overdrafts are recorded at fair value, net of direct issue costs. Finance charges,

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including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis through profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

2.16 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are Capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalisation.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

In a business combination, a contingent liability is measured initially at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the effect of discounting is material, provisions are discounted and measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.19 Share Capital

Ordinary Shares are Classified as Equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.2 Current and Deferred Income Tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

2.21 Employee Benefits

(a) Defined Contribution Schemes

The Group has two defined contribution plans for its employees;

- i) A Statutory pension scheme and
- ii) A Gratuity scheme

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(i) Pension Scheme

The Pensions Reform Act of 2014 requires all companies to pay a minimum of 10% of basic salary (including housing and transport allowances) to a pension fund on behalf of all full time employees to a pension fund administrator.

The contributions are recognised as employee benefit expenses when they are due. The Group has no further payment obligation once the contributions have been paid.

(ii) Gratuity Scheme

Under the gratuity scheme, the Group contributes on an annual basis a fixed percentage of the employees salary to a fund managed by a fund administrator. The funds are invested on behalf of the employees and they will receive a payout based on the return of the fund upon retirement.

(b) Profit-Sharing and Bonus Plans

All full time staff are eligible to participate in the profit-sharing scheme. The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's Shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.22 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales related taxes and income from the provision of technical services, agreements and internal revenue which is eliminated on consolidation. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Group

(a) Sale of Real Estate

The Group assesses whether the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress for each of its contracts to assess whether to treat these as the sale of goods or construction contracts.

At this stage all contracts are treated as sale of goods.

Revenue is recognised when significant risks and rewards have passed to the buyer, typically this is evidenced when the buyer is granted access to the properties. The granting of the legal title is an administrative matter that can have significant delays.

(b) Rental Income

Revenue includes rental income and service charges and management charges from properties.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its Tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

(c) Food and beverages

Revenue arising from the sale of food and beverages represents sales of food items, livestock feeds, bottled water, fruit juices, ice-cream and Quick Service Restaurants.

Revenue for the sale of food and beverages is recognised when the risks and rewards associated with ownership are transferred to the buyer. Due to the short term nature of these transactions no significant judgements are required.

Franchise fees are recognised when services or conditions relating to the sale have been substantially performed or satisfied by the Franchisee.

(d) Paint

Revenue for the sale of paints and other decoratives is recognised when the risks and rewards associated with ownership are transferred to the buyer. Due to the short term nature of these transactions no significant judgements are required.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

(e) Logistics

Revenue is Recognised as the Service is Provided.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Company

(g) Management Fees

Revenue for the Company represents management fees charged to Group entities for services provided such as legal/ Company Secretarial and Human Resources support. Revenue is recognised as the services are completed.

(h) Dividend Income

Dividend income is recognised once the right to receive payment has been established, which is generally when shareholders approve the dividend.

2.23 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are Capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.24 Cash Dividend and Non-Cash Distribution to Equity Holders of the Parent.

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Nigeria, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. In respect of interim dividends these are recognised once paid.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit or loss.

2.25 Government Grant

Government Grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with the conditions attaching to it.

Where a Government Grant is related to income, it is classified under the heading 'other gains' in the Statement of Comprehensive Income. Where the grant is related to expenses, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

For Government Loans obtained at below market rates of interest and treated as government grants, the loan is recognised and measured in line with IAS 39 and any resulting difference between the measurement of the grant and the actual proceeds received is Capitalised as deferred income. Where the Grant is intended to assist in the acquisition of an asset, the deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

Grants related to non-monetary assets are stated at fair value. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

2.26 Fair Value Measurement

The Group measures non-financial assets such as investment properties, at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 Financial Risk Management

3.1 Financial Risk Factors

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

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

An enterprise-wide risk management framework has been implemented across the Group. **(a) Market Risk**

(i) Foreign Exchange Risk

The Group is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US dollar as a result of importing key materials. Foreign exchange risk arises from future commercial transactions. There are limited exposures to recognised assets and liabilities and net investments in foreign operations.

"The Group does not make use of derivatives to hedge its exposures. Although the Group has various measures to mitigate exposure to foreign exchange rate movement, over the long term however, permanent changes in exchange rates will have an impact on profit. The Group monitors movement in the currency on an on-going basis.

The Group manages this risk through adequate planning and timing of its foreign transactions and funding of its domiciliary accounts

The Group's concentration of foreign exchange risk is as follows:

GROUP	31 December 2016				
	Naira ₦'000	USD ₦'000	GBP ₦'000	Others ₦'000	Total ₦'000
Financial assets					
Trade and other receivables	12,386,072	-	-	-	12,386,072
Cash and short-term deposits	9,401,139	144,175	270	-	9,545,585
	21,787,211	144,175	270	-	21,931,657
Financial liabilities					
Long term borrowings	5,275,238	-	-	-	5,275,238
Commercial papers	19,871,559	-	-	-	19,871,559
Trade and other payables	16,572,781	-	-	-	16,572,781
Bank overdrafts	4,649,637	-	-	-	4,649,637
	46,369,215	-	-	-	46,369,215

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

	GROUP 31 December 2015				
	Naira ₦'000	USD ₦'000	GBP ₦'000	Others ₦'000	Total ₦'000
Financial assets					
Trade and other receivables	11,308,765	-	-	-	11,308,765
Cash and short-term deposits	9,154,222	58,160	3	14	9,212,399
	20,462,986	58,160	3	14	20,521,163
Financial liabilities					
Long term borrowings	8,093,404	-	-	-	8,093,404
Commercial papers	15,713,922	-	-	-	15,713,922
Trade and other payables	14,884,447	-	-	-	14,884,447
Bank overdrafts	1,808,626	-	-	-	1,808,626
	40,500,398	-	-	-	40,500,398

	GROUP	
	31-Dec-16 ₦'000	31-Dec-15 ₦'000
The total impact on profit if Naira was to decrease by 5% across currencies would be as follows:	3,849	3,933
The total impact on profit if Naira was to increase by 5% across currencies would be as follows:	(3,849)	(3,933)

Management considers a 5% shift in foreign currency exchange rate is appropriate to determine the sensitivity of Foreign currency denominated financial assets and liabilities vis a vis the Naira.

	COMPANY 31 December 2016				
	Naira ₦'000	USD ₦'000	GBP ₦'000	Others ₦'000	Total ₦'000
Financial assets					
Available for sale investments	1,001	-	-	-	1,001
Trade and other receivables	9,214,621	-	-	-	9,214,621
Cash and short-term deposits	4,230,749	19,526	270	-	4,250,546
	13,446,371	19,526	270	-	13,466,167
Financial liabilities					
Trade and other payables	815,791	-	-	-	815,791
	815,791	-	-	-	815,791

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



	COMPANY 31 December 2015				
	Naira ₦'000	USD ₦'000	GBP ₦'000	Other ₦'000	Total ₦000
Financial assets					
Available for sale investments	1,001	-	-	-	1,001
Trade and other receivables	8,213,787	-	-	-	8,213,787
Cash and short-term deposits	3,390,928	40,293	2	14	3,431,237
	11,605,716	40,293	2	14	11,646,026
Financial liabilities					
Trade and other payables	629,248	-	-	-	629,248
	629,248	-	-	-	629,248

	COMPANY	
	31-Dec-16 ₦'000	31-Dec-15 ₦'000
The total impact on profit if Naira was to decrease by 5% across currencies would be as follows:	1,492	2,060
The total impact on profit if Naira was to increase by 5% across currencies would be as follows:	(1,492)	(2,060)

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

(ii) Price Risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated financial position as available-for-sale, these exposures are limited and as at 31st December 2016, there was no financial asset measured at fair value through profit or loss.

The Group is exposed to the commodity price risk of grains (maize, soya beans and wheat) due to seasonal trends and the availability of harvest produce. The Group does not hedge this risk and no commodity exchange exists within Nigeria. There are operational controls in place to monitor qualities and to ensure that adequate quantities are procured and stored in silos and warehouses in the harvest seasons for the gradual milling during the year. In case of local crop failure resulting in shortages, importation is undertaken.

Sensitivity to price is immaterial

(iii) Cash Flow and Fair Value Interest Rate Risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. The individual boards of each Business Unit within the Group set their own borrowing limits under Group guidance. No formal Group limit policy exists at this stage.

Group Treasury monitors interest rate and borrowing exposures and weighted averages for the entire group on a monthly basis. This is analysed and reviewed by the Board on a quarterly basis.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



The Group's interest rate risk concentration is as follows:

GROUP	31st December, 2016			
	Weighted average interest rate %	Interest bearing		Non-interest bearing ₦'000
		Variable rate ₦'000	Fixed rate ₦'000	
Financial Assets				
Available for sale investments		-	-	-
Trade and other receivables		-	-	12,386,072
Cash and bank balances		-	-	861,217
Short-term deposits	15.31	-	8,684,368	-
		-	8,684,368	13,247,289
Financial Liabilities				
Long term borrowings	10	-	25,146,797	-
Trade and other payables		-	-	16,572,781
Bank overdrafts	13.2	4,649,637	-	-
		4,649,637	25,146,797	16,572,781

GROUP	31st December, 2015			
	Weighted average interest rate %	Interest bearing		Non-interest bearing ₦'000
		Variable rate ₦'000	Fixed rate ₦'000	
Financial Assets				
Available for sale investments		-	-	-
Trade and other receivables		-	-	11,308,765
Cash and bank balances		-	-	1,407,997
Short-term deposits	15.57	-	7,804,402	-
		-	7,804,402	12,716,762
Financial Liabilities				
Borrowings	11	-	23,807,325	-
Trade and other payables	-	-	-	14,884,447
Bank overdrafts	16.05	1,808,626	-	-
		1,808,626	23,807,325	14,884,447

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

31 December 2016				
COMPANY	Weighted average interest rate	Interest bearing		Non-interest bearing
	%	Variable rate ₦'000	Fixed rate ₦'000	bearing ₦'000
Financial Assets				
Available for sale investments		-	-	1,001
Trade and other receivables		-	-	9,214,621
Cash and bank balances		-	-	67,217
Short-term deposits	15.75	-	4,183,329	-
		-	4,183,329	9,282,838
Financial Liabilities				
Trade and other payables		-	-	815,791
Bank overdrafts		-	-	-
		-	-	815,791

31 December 2015				
COMPANY	Weighted average	Interest bearing		Non-interest
	interest rate	Variable rate	Fixed rate	bearing
	%	₦'000	₦'000	₦'000
Financial assets				
Available for sale investments		-	-	1,001
Trade and other receivables		-	-	8,213,787
Cash and bank balances		-	-	22,000
Short-term deposits	13.2	-	3,409,237	-
		-	3,409,237	8,236,788
Financial Liabilities				
Borrowings		-	-	-
Trade and other payables		-	-	629,248
		-	-	629,248

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



Group

	31-Dec-16 ₹'000	31-Dec-15 ₹'000
A 3% increase in interest rates would have the following impact on profit and equity.	(139,489)	(54,259)

Company

	31-Dec-16 ₹'000	31-Dec-15 ₹'000
A 3% increase in interest rates would have the following impact on profit and equity.	-	-

Management considers that a 3% shift in interest rate is reasonable as the interest rate has fluctuated by a maximum of 3% at December 2016.

(b) Credit Risk

Credit risk is monitored on a Group basis, however it is managed at business unit level. Each entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, accounts receivable and deposits with banks and financial institutions.

For banks and financial institutions, the Group utilises institutions that have manageable reputational risk but does not strictly monitor their formal ratings. In addition the Group monitors its exposures with individual institutions and has internal limits to control maximum exposures. The Group does not maintain a minimum threshold for its investments based on credit rating. When considering investments the Group compares the risk exposure to the returns provided by the institution.

Credit terms are set with customers based on past experiences, payment history and reputation of the customers.

Credit terms for manufacturing business units are short term, typically 30 days, for service driven units these range from 30 - 60 days.

Rental businesses collect amounts in advance to limit exposures.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Concentration of Credit Risk

GROUP	Total gross amount ₦'000	31 December 2016		
		Neither past due nor impaired ₦'000	Past due but not impaired ₦'000	Impaired ₦'000
Trade receivables	4,714,069	936,491	2,332,880	1,444,698
Other receivables	9,116,701	9,116,701	-	-
Cash and bank balances	861,217	861,217	-	-
Short term deposits	8,684,368	8,684,368	-	-
	23,376,354	19,598,777	2,332,880	1,444,698

GROUP	Total gross amount ₦'000	31 December 2015		
		Neither past due nor impaired ₦'000	Past due but not impaired ₦'000	Impaired ₦'000
Trade receivables	5,397,726	1,112,566	2,530,095	1,755,065
Other receivables	7,666,104	7,666,104	-	-
Cash and bank balances	1,407,997	1,407,997	-	-
Short term deposits	7,804,402	7,804,402	-	-
	22,276,229	17,991,069	2,530,095	1,755,065

COMPANY	Total gross amount ₦'000	31 December 2016		
		Neither past due nor impaired ₦'000	Past due but not impaired ₦'000	Impaired ₦'000
Trade receivables	-	-	-	-
Receivables from Group companies	9,167,137	9,167,137	-	-
Other receivables	47,483	47,483	-	-
Cash and bank balances	67,217	67,217	-	-
Short term deposits	4,183,329	4,183,329	-	-
	13,465,166	13,465,166	-	-

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



COMPANY	31 December 2015			
	Total gross amount N'000	Neither past due nor impaired N'000	Past due but not impaired N'000	Impaired N'000
Trade receivables	-	-	-	-
Receivables from Group companies	7,792,449	7,792,449	-	-
Other receivables	421,339	421,339	-	-
Cash and bank balances	22,000	22,000	-	-
Short term deposits	3,409,237	3,409,237	-	-
	11,645,025	11,645,025	-	-

Details of the credit quality of financial assets that are neither past due nor impaired are:

	GROUP		COMPANY	
	31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-16 N'000	31-Dec-15 N'000
Counter parties without external credit ratings				
Trade receivables				
Group 1	257,208	405,461	-	-
Group 2	374,942	189,772	-	-
Group 3	304,341	517,332	-	-
	936,491	1,112,566	-	-
Other receivables				
Group 1	6,837,526	6,516,189	47,483	421,339
Group 2	1,823,340	919,933	-	-
Group 3	455,835	229,983	-	-
	9,116,701	7,666,104	47,483	421,339
Intra-group balances				
Group 1	-	-	-	-
Group 2	-	-	9,167,137	7,792,449
Group 3	-	-	-	-
	-	-	9,167,137	7,792,449
Cash and short term deposits				
Group 1	3,021,614	2,937,399	850,546	31,237
Group 2	-	-	-	-
Group 3	-	-	-	-
	3,021,614	2,937,399	850,546	31,237

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

The Group defines the ratings as follows:

Group 1 - These are balances with Blue Chip, Listed and other large entities with a low chance of default.

Group 2 - These are balances with small - medium sized entities with no history of defaults

Group 3 - These are balances with small - medium sized entities with a history of defaults or late payments.

The Group limits its counter-party exposure arising from financial instruments by only dealing with well-established institutions of high economic standing. There are no credit ratings for financial instruments classified as "other receivables

Counter-parties with external credit ratings

	GROUP		COMPANY	
	31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-16 N'000	31-Dec-15 N'000
Cash and Short term deposits				
AAA	4,096,584	30,000	-	-
AA-	238,514	320,000	-	-
A+	336,234	-	-	-
AA	-	-	-	-
A	715,100	2,082,000	-	1,492,000
A-	-	708,000	-	708,000
BBB+	1,960	150,000	-	-
BBB	744,048	2,985,000	-	1,200,000
BBB-	281,024	-	-	-
B+	50,906	-	-	-
B	59,602	-	-	-
B-	-	-	-	-
CCC	-	-	-	-
	6,523,971	6,275,000	-	3,400,000

External ratings were based on ratings according to Fitch Rating and Augusto & Co.

The Directors have assessed that there are no increased risk to the group's cash and short term deposits with banks that are rated less than an A as they have done proper due diligence on these institutions and continuously monitor their performance. Also deposit with banks are insured by the Nigerian Deposit Insurance Corporation.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Details of the past due but not impaired assets are as follows:

	GROUP		COMPANY	
	31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-16 N'000	31-Dec-15 N'000
Trade receivables				
Past due by 1-30 days	1,952,829	2,150,044	-	-
Past due by 31-60 days	380,051	380,051	-	-
	2,332,880	2,530,095	-	-

Details of the impaired assets are as follows:

	GROUP		COMPANY	
	31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-16 N'000	31-Dec-15 N'000
Trade receivables				
Past due by 1-60 days	-	-	-	-
Past due by 61-180 days	1,011,288	1,228,546	-	-
Past due > 180 days	433,409	526,520	-	-
	1,444,698	1,755,065	-	-

Reconciliation of the allowance for impairment:

	GROUP		COMPANY	
	31-Dec-16 N'000	31-Dec-15 N'000	31-Dec-16 N'000	31-Dec-15 N'000
Trade receivables				
At 1st January	1,755,065	1,680,892	-	-
Provision for receivables impairment	-	74,173	-	-
Receivables written off during the year	(310,367)	-	-	-
At 31st December	1,444,698	1,755,065	-	-

(c) Liquidity Risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by group finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. The Group also ensures that at all times the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Other than the major loans disclosed in note 22 to these annual financial statements which are contracted with various financial institutions, the group has no significant concentration of liquidity risk with any other single counter-party.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Surplus cash is managed individually by the business units and monitored by the Group.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

GROUP

At 31 December 2016

	Less than 3 months ₹'000	Between 3 months and 1 year ₹'000	Between 1 and 5 years ₹'000	Over 5 years ₹'000
Borrowings (excluding finance lease liabilities)	-	19,871,559	5,275,238	-
Trade and other payables	16,572,781	-	-	-
Bank overdrafts	-	4,649,637	-	-
	16,572,781	24,521,196	5,275,238	-

GROUP

At 31 December 2015

	Less than 3 months ₹'000	Between 3 months and 1 year ₹'000	Between 1 and 5 years ₹'000	Over 5 years ₹'000
Borrowings (excluding finance lease liabilities)	-	15,713,922	8,093,404	-
Trade and other payables	14,884,447	-	-	-
Bank overdrafts	-	1,808,626	-	-
	14,884,447	17,522,548	8,093,404	-

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



COMPANY

At 31 December 2016

	Less than 3 months K'000	Between 3 months and 1 year K'000	Between 1 and 5 years K'000	Over 5 years K'000
Borrowings (excluding finance lease liabilities)	-	-	-	-
Finance lease liabilities	-	-	-	-
Trade and other payables	815,791	-	-	-
Bank overdrafts	-	-	-	-
	815,791	-	-	-

COMPANY

At 31 December 2015

	Less than 3 months K'000	Between 3 months and 1 year K'000	Between 1 and 5 years K'000	Over 5 years K'000
Borrowings (excluding finance lease liabilities)	-	-	-	-
Finance lease liabilities	-	-	-	-
Liabilities associated with non-current assets held for sale	-	-	-	-
Trade and other payables	629,248	-	-	-
	629,248	-	-	-

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Capital Risk Management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of Capital. For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return Capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as interest bearing debt capital divided by total equity. Interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated financial position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position including non controlling interest. The Group has a debt/equity threshold of 0.6 times.

	31-Dec-16 N'000	31-Dec-15 N'000
Interest bearing debt	29,796,434	25,387,430
Total equity	76,465,540	74,142,024
Total Capital	106,261,974	99,529,454
Gearing ratio	0.39	0.34

Fair Value Estimation

Financial instruments are normally held by the Group until they close out in the normal course of business. Most of the fair values of the Group's financial instruments approximate their carrying values. The maturity profile of short term liabilities fall due within 12 months. The maturity profile of long-term liabilities, are as disclosed in note 22 of these annual financial statements.

Short-term borrowings are measured at amortised cost using the effective interest rate method and the carrying amounts approximate the fair value. Fair valuation of borrowings was done using the income approach. This approach entails a calculation of the present value of expected future cash flows. The fair value hierarchy for borrowings is level 3 (see below table).

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



Due to their short term nature, there are no significant differences between the carrying values and the fair values of financial assets and liabilities, except for intra-Group loans at company level which are eliminated on consolidation.

There are no significant differences between the carrying values and the fair values of financial assets and liabilities, except for intra-Group loans at company level which are eliminated on consolidation.

The table below sets out the classification of each class of financial assets and liabilities, as well as a comparison to their fair values. The different fair value levels are given below:

Level 1: Quoted prices in active markets for identical assets or liabilities, for identical assets or liabilities that the Group can access at the measurement date

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities for the year ended 31 December 2016.

	Quoted price Total in active market (Level 1) #’000	Significant observable input (Level 2) #’000	Significant unobservable input (Level 3) #’000
Assets measured at fair value:			
Investment properties	1,627,369	-	1,627,369
Available-for-sale investment - Quoted equity shares	19,197	19,197	-
Liabilities for which fair values are disclosed:			
Interest-bearing loans and borrowings			
FSDH Merchant Bank Ltd	4,167,005	-	4,167,005
Guaranty Trust Bank PLC	3,650,470	-	3,650,470

These valuations were done as at 31st December, 2016, there have been no transfers between Level 1 and Level 2 during the year.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

i) Assets measured at fair values

a) Investment properties

The valuation techniques used and key inputs to valuation of investment properties have been disclosed on Note 14.

Significant unobservable valuation input:

Price per square metre ₦20,000 - ₦85,000

Significant increases/ (decreases) in estimated price per square meter in isolation would result in significantly higher/ (lower) fair value.

ii) Liabilities for which fair values are disclosed

The fair value of unquoted loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities for the year ended 31 December 2015.

	Total	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)
	₦'000	₦'000	₦'000	₦'000
Assets measured at fair value:				
Investment properties	20,035,327	-	-	20,035,327
Available-for-sale investment -Quoted equity shares	19,308	19,308	-	-
Liabilities for which fair values are disclosed:				
Interest-bearing loans and borrowings				
Union Bank of Nigeria PLC	1,086,270	-	1,086,270	-
FSDH Merchant Bank Ltd	4,044,121	-	4,044,121	-
Guaranty Trust Bank PLC	3,493,774	-	3,493,774	-

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



The following table presents the Group's financial assets and liabilities that are not measured at fair value:

	GROUP			
	31 Dec 16	31 Dec 15		
	Carrying value	Fair value	Carrying value	Fair value
	₦'000	₦'000	₦'000	₦'000
Assets				
Trade receivables	3,269,371	3,269,371	3,642,661	3,642,661
Receivables from Group companies	-	-	-	-
Other receivables	9,116,701	9,116,701	7,666,104	7,666,104
Cash and short-term deposits	9,545,585	9,545,585	9,212,399	9,212,399
	21,931,657	21,931,657	20,521,164	20,521,164
Liabilities				
Bank overdrafts and current portion of borrowings	24,521,196	24,521,196	17,294,027	17,294,027
Trade payables	4,897,420	4,897,420	5,985,972	5,985,972
Other payables	6,999,140	6,999,140	4,603,076	4,603,076
Accruals	4,209,220	4,209,220	3,720,283	3,720,283
	40,626,977	40,626,977	31,603,359	31,603,359

The fair value presented above was derived using the Discounted Cash Flow technique using largely unobservable inputs. This falls into the level 3 fair value measurement.

	COMPANY			
	31 Dec 16	31 Dec 15		
	Carrying value	Fair value	Carrying value	Fair value
	₦'000	₦'000	₦'000	₦'000
Assets				
Receivables from Group companies	9,167,137	9,167,137	7,792,449	7,792,449
Other receivables	47,483	47,483	421,339	421,339
Cash and short-term deposits	4,250,546	4,250,546	3,431,237	3,431,237
	13,465,166	13,465,166	11,645,025	11,645,025
Liabilities				
Other payables	62,041	62,041	35,940	35,940
Accruals	719,624	719,624	574,312	574,312
	781,665	781,665	610,252	610,252

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Financial instruments by category

	Group 31 Dec 2016		
	Available for sale ₦'000	Loans and receivables ₦'000	Other financial liabilities ₦'000
Financial Assets			
Available for sale investments	-	-	-
Trade and other receivables	-	12,386,072	-
Cash and short-term deposits	-	9,545,585	-
	-	21,931,657	-
Financial Liabilities			
Long term borrowings	-	-	5,275,238
Current portion of long term borrowings	-	-	19,871,559
Trade and other payables	-	-	16,572,781
Bank overdrafts	-	-	4,649,637
	-	-	46,369,215

	Group 31 Dec 2015		
	Available for sale ₦'000	Loans and receivables ₦'000	Other financial liabilities ₦'000
Financial Assets			
Available for sale investments	-	-	-
Trade and other receivables	-	11,308,765	-
Cash and short-term deposits	-	9,212,399	-
	-	20,521,163	-
Financial Liabilities			
Long term borrowings	-	-	8,093,404
Current portion of long term borrowings	-	-	15,713,922
Trade and other payables	-	-	14,884,447
Bank overdrafts	-	-	1,808,626
	-	-	40,500,398

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



	Company 31 Dec 2016		
	Available for sale ₦'000	Loans and receivables ₦'000	Other financial liabilities ₦'000
Financial assets			
Available for sale investments	1,001	-	-
Trade and other receivables	-	9,214,621	-
Cash and short-term deposits	-	4,250,546	-
	1,001	13,465,166	-
Financial liabilities			
Trade and other payables	-	-	-
Bank overdrafts	-	-	815,791
	-	-	815,791

	Company 31 Dec 2015		
	Available for sale ₦'000	Loans and receivables ₦'000	Other financial liabilities ₦'000
Financial assets			
Available for sale investments	1,001	-	-
Trade and other receivables	-	8,213,787	-
Cash and short-term deposits	-	3,431,237	-
	1,001	11,645,025	-
Financial liabilities			
Trade and other payables	-	-	-
Bank overdrafts	-	-	629,248
	-	-	629,248

The fair value of the Available for Sale Investments falls into the level 1 fair value measurement

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

4 Significant Judgements and Estimates

4.1 Significant Estimates and Sources of Estimation Uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Use of available information and the application of judgement are inherent in the formation of estimates. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Investment Property

The Group uses a combined approach of valuing investment properties using professionally qualified experts. For breakdowns of the properties valued using each of this refer to Note 14.

Management makes use of a number of methods to assess the fair value of investment property:

- Open market value
- Direct market comparison approach
- Current replacement cost approach

For purposes of the fair value recognised in the financial statements the open market method is adopted. The Open market value method falls under the "market approach" as stipulated in IFRS 13"

To obtain the open market value the following were considered:

- A willing buyer
- A willing seller
- The property is freely exposed to the market
- A reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market
- No account is to be taken of an additional bid by a special purchaser

b) Estimates of Useful Lives and Residual Values

The estimates of useful lives and residual values of PPE impact the annual depreciation charge.

The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to Management's intended usage policy for the assets in the future and potential market prices of similar assets.

c) Impairment Testing

The recoverable amounts of Cash-Generating units and individual assets have been determined based on the higher of value in use and fair value less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact estimations and may require a material

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

adjustment to the carrying value of intangible and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared for expected future cash flows for each group of assets. Expected future cashflows used to determine the value-in-use of intangible and tangible assets are inherently uncertain and could materially change over time.

d) Provisions

Provisions were raised and Management determined a best estimate of amount based on the information available. Best estimates, being the amount that the Group would rationally pay to settle the obligation, are recognised as provisions at the reporting date. Risks, uncertainties and future events, such as changes in law and technology, are taken into account by management in determining the best estimates. Where the effect of discounting is material, provisions are discounted. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, all of which requires management estimation.

The Group is required to record provisions for legal or constructive contingencies when the contingency is probable of occurring and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is, however, unpredictable and actual costs incurred could differ materially from those estimated at the reporting date.

e) Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

f) Allowance for Uncollectible Accounts Receivable

Past experience indicates a reduced prospect of collecting debts over the age of two months. Trade receivable balances older than two months are regularly assessed by Management and provided for at their discretion. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience based on the facts and circumstances prevailing as at reporting date. In addition,

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when Management considers them to be uncollectable.

4.2 Significant Judgements

a) Consolidation of UAC Property Development Company PLC (UPDC)

Although the Group only has a 46% investment in UPDC, it is treated as a subsidiary due to:

- the Group is able to appoint seven of the eight directors. This includes the Managing Director, Chairman and Finance Director; and
- the majority of the other Shareholders are disparate and are not able to coordinate to block decisions of the Group.

Therefore, the Group has de facto control and consolidates UPDC.

b) Consolidation of CAP PLC

Although the Group only has a 50% investment in CAP, it is treated as a subsidiary due to:

- the Group is able to appoint all the directors. This includes the Managing Director, Chairman and Finance Director; and
- the majority of the other Shareholders are disparate and are not able to coordinate to block decisions of the Group.

Therefore, the Group has de facto control and consolidates CAP.

c) Revenue Recognition

Sale of constructed properties require detailed judgements. Each transaction is assessed to determine under IFRIC 15 whether revenue should be recognised when the significant risks and rewards pass to the buyer or over time as construction takes place. All of the projects in the periods presented were identified as being the sale of goods and therefore revenue was only recognised when the significant risks and rewards had passed.

The significant risks and rewards were identified as having passed when the buyer had taken possession or control of the properties. Transfer of legal title in the market is time consuming and is seen only as an administrative step and not as a pre-requisite for revenue recognition.

d) Investment in Associate

In June 2013, the company issued a Real Estate Investment Trust (REIT) of 3,000,000,000 units of ₦10 each which is listed on the stock exchange.

The company's planned subscription rate of the REIT was 40% and 60% to UPDC and the general public respectively. The REIT closed at a value of ₦26.7billion, with UPDC holding 62.4% while other investors held 37.6%.



Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

The REIT is governed by a Trust Deed, administered by UBA Trustees Limited and First Trustees Limited. The documents of title to the properties are held by the Custodians, UBA Global Services Limited. The Fund is managed by FSDH Asset Management Limited (FSDH AM) while UPDC is the Property Manager.

Although the Company has more than 50% investment in the REIT, it was not consolidated as a subsidiary because the Company does not control the REIT. Control is exercised by the Investment Committee and comprise:

FSDH Asset Management Limited (Fund Managers)	- 2
UPDC (Sponsor of REIT & Property Manager)	- 2
UBA Trustees (Joint Trustees)	- 1
First Trustees (Joint Trustees)	- 1
Independent (Shareholders) of the REIT	- 3

5. Segment Analysis

The Group

The Chief Operating decision-maker has been identified as the Executive Committee (Exco), made up of the Executive Directors of the Company. The Exco reviews the Group's internal reporting in order to assess performance and allocate resources.

Management has determined the operating segments based on these reports.

The Group has identified the following as segments:

Food and Beverage - Made up of business Units involved in the manufacturing and sale of food items, livestock feeds, bottled water, fruit juices, ice-cream and quick service restaurants.

Paints - Made up of Business units involved in the manufacturing and sale of paints products and other decoratives.

Logistics - Made up of a Business units involved in rendering logistics and supply chain services including warehousing, transportation and redistribution services.

Real Estate - Made up of a Business Unit involved in real estate development, management and owners of Golden Tulip Hotel, Festac, Lagos.

Others - These are non-reportable segments made up of two medium size entities within the group involved in Pension Fund Administration services and the Corporate Head Office.

The following measures are reviewed by Exco; with Profit Before Tax taken as the segment profit.

- Revenue to third parties
- Operating profit
- Profit before tax
- Property, plant and equipment
- Net assets
- EBIT Margin
- Return On Equity

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

	Food and Beverages N'000	Paints N'000	Logistics N'000	Real Estate N'000	Others N'000	Total N'000
31 December 2016						
Total Revenue	65,708,609	8,785,154	5,340,283	6,344,822	1,095,134	87,274,002
Intergroup revenue	(1,077,751)	(22,034)	(689,226)	(147,645)	(730,776)	(2,667,432)
Revenue to third parties	64,630,858	8,763,120	4,651,057	6,197,177	364,358	84,606,570
Operating profit	5,229,596	2,223,064	1,480,049	(672,196)	(188,159)	8,072,354
Impairment of investment & receivable in UPDC Metro City	-	-	-	(747,907)	-	(747,907)
Profit before tax	4,267,611	2,300,293	1,677,503	(1,783,124)	1,312,597	7,774,880
Share of profit of associates and joint venture	-	-	-	1,089,747	-	1,089,747
Property, plant and equipment	17,100,682	1,492,473	3,674,276	12,246,244	756,998	35,270,673
Net assets	19,125,107	2,979,675	5,445,232	34,024,115	14,891,411	76,465,540

	Food and Beverages N'000	Paints N'000	Logistics N'000	Real Estate N'000	Others N'000	Total N'000
31 December 2015						
Total Revenue	55,837,241	9,225,356	4,860,350	5,120,932	1,032,439	76,076,318
Intergroup revenue	(850,552)	(55,751)	(574,997)	(163,181)	(660,593)	(2,305,074)
Revenue to third parties	54,986,688	9,169,606	4,285,353	4,957,751	371,846	73,771,244
Operating profit	4,711,918	2,129,919	901,038	331,035	(678,821)	7,395,089
Impairment of UPDC's PPE in UHL	(25,341)	-	-	(473,000)	-	(498,341)
Profit before tax	3,614,920	2,237,511	1,025,550	55,851	799,245	7,733,077
Share of profit of associates and joint venture	-	-	-	1,787,461	-	1,787,461
Property, plant and equipment	17,619,660	1,255,241	3,724,555	12,630,875	869,706	36,100,037
Net assets	17,330,830	2,137,608	4,904,932	35,574,169	14,194,484	74,142,024

Entity wide information

	31 Dec 2016 N'000	31 Dec 2015 N'000
Analysis of revenue by category:		
Sale of goods	79,591,155	69,485,891
Revenue from services	5,015,415	4,285,353
	84,606,570	73,771,244

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



Analysis of revenue by geographical location:

	31 Dec 2016	31 Dec
2015	₦'000	₦'000
Nigeria	84,593,231	73,744,052
Ivory Coast	13,339	27,192
	84,606,570	73,771,244

Concentration risk

The group is not exposed to any concentration risk, as there is no single customer with a contribution to revenue of more than 10%.

6. Other Operating Income

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	₦'000	₦'000	₦'000	₦'000
Profit on sales of Property, Plant and Equipment	352,297	170,053	3,083	-
Profit on sales of Investment Property	767,372	-	35,000	-
Warranty claim on Investment - Portland Paints	-	73,225	-	73,225
Net fair value Gain on investment properties	1,627,369	252,678	118,399	-
Guaranty fees	-	-	73,249	-
Recovery of previously impaired loan	10,000	130,000	10,000	130,000
Government grant (See note 24)	222,515	228,520	-	-
Other income*	903,020	1,114,265	20,583	140,100
Total other operating income	3,882,573	1,968,741	260,314	343,324

*Other income

Other income includes sales commission received on sales of third party properties, service charges and income from professional services, insurance claims, sales of scraps etc.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

6(i). Other operating losses

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	₦'000	₦'000	₦'000	₦'000
Impairment of UPDC Hotel's Property, Plant & Equipment	-	(473,000)	-	-
Impairment of investment & receivable in UPDC Metro (JV)*	(747,907)	-	-	-
Loss on sales of Property, Plant and Equipment	(450)	(6,120)	-	(1,465)
Loss on sales of Investment Property	-	(57,365)	-	-
Net fair value loss on investment properties	-	(179,784)	-	(179,784)
Losses on completed projects**	(1,695,579)	-	-	-
Total other operating losses	(2,443,937)	(716,268)	-	(181,249)

i.) Impairment of Investment in UPDC Metro City Ltd*

The Group's share of loss of UPDC Metro City Ltd for the year exceeded the investment of ₦244.2 million. In line with IAS 28, the investment is deemed to be impaired and is written down to nil value.

ii.) Impairment of receivable in UPDC Metro City Ltd*

UPDC Metro City Ltd's receivable in the books is impaired after consideration for future recoverable balances.

**Losses on completed projects

Losses on completed projects represents unrecoverable costs on projects (The Residences, Alexander Miller, Vintage Gardens and Pineville) completed as at the year end.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

7(a) . Expenses by Nature

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Changes in inventories of finished goods and work in progress	58,577,753	49,497,749	-	-
Write-off of inventories to net realisable value	112,150	-	-	-
Personnel expenses	7,724,934	7,384,811	603,575	687,547
Depreciation	2,383,288	2,348,533	170,719	160,259
Amortisation of intangibles	227,385	146,522	35,667	34,967
Impairment of Property, Plant and Equipment	-	498,341	-	-
Impairment of investment & receivables	747,907	-	-	-
(Recovery from)/allowance for receivables impairment	(310,367)	74,173	-	-
Royalty fees	116,642	101,362	-	-
Rents & Rates	532,017	415,804	16,528	17,413
Electricity & power	936,231	879,145	36,755	41,867
Vehicles repairs, maintenance & fueling	1,064,030	1,277,728	2,805	4,837
Other repairs & maintenance	917,193	817,436	36,557	47,347
Auditors' remuneration	179,680	186,435	23,000	23,000
Information Technology	368,135	278,767	18,362	24,660
Legal expenses	176,537	166,236	16,724	20,931
Donations & Subscriptions	74,259	44,507	12,900	14,942
Insurance	141,714	150,743	11,094	9,952
Back duty	450,288	348,548	-	348,548
Distribution expenses	1,563,436	736,827	-	-
Marketing, Advertising & Communication	918,583	1,188,636	36,332	29,304
Sundry office expenses	1,071,059	1,086,325	366,577	252,411
	77,972,852	67,628,628	1,387,597	1,717,984

7(b). Expenses by function

Analysed as:

Cost of sales	67,250,807	56,962,613	-	-
Selling and distribution expenses	3,390,329	3,463,423	-	-
Administrative expenses	7,331,716	7,202,592	1,387,597	1,717,984
	77,972,852	67,628,628	1,387,597	1,717,984

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	₦'000	₦'000	₦'000	₦'000
Personnel Expenses Include:				
Wages, salaries and other short term benefits for staff and managers	6,734,729	6,490,293	365,313	482,548
Directors' emoluments	394,975	383,265	170,076	132,681
Post employment benefits:				
- Defined contribution plans	595,230	511,254	68,186	72,318
	7,724,934	7,384,811	603,575	687,547

7 (c). Particulars of Directors and Staff

(i) The group has in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

Costs	The Group		The Company	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
Key management personnel:				
Wages, salaries and other short term benefits	437,926	386,023	199,887	202,902
Post employment benefits:				
- Defined contribution plans	595,230	511,254	68,186	72,318
Total for key management personnel	1,033,156	897,277	268,074	275,220
Other management personnel	2,968,182	2,893,174	130,619	248,004
Staff	3,328,621	3,211,096	34,806	31,642
Total	7,329,959	7,001,547	433,499	554,866

Numbers	The Group	
	2016	2015
	Number	Number
Key management personnel	26	26
Other management personnel	642	738
Staff	1,315	1,523
Total	1,983	2,287
	₦'000	₦'000
Average cost per staff	3,696	3,061



Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

(ii) The table below shows the number of employees (excluding directors), who earned over ₦100,000 as emoluments in the year and were within the bands stated.

₦	2016 Number	2015 Number
100001 - 300000	-	22
300001 - 500000	43	183
500001 - 700000	84	369
700001 - 900000	166	629
900001 - 1100000	253	205
1100001 - 1300000	382	232
1300001 - 1500000	194	110
1500001 and Above	861	537
	1,983	2,287

	2016 ₦'000	2015 ₦'000
(iii) Emoluments of directors		
Fees	4,250	4,250
Other emoluments	165,826	128,431
	170,076	132,681
(iv) The Chairman's emolument.	17,548	14,455
(v) Emolument of the highest paid Director.	45,474	35,614

(vi) The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

₦	2016 Number	2015 Number
100001 - 15000000	4	5
15000001 and above	4	3

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

8. Net finance income/(cost)

	The Group		The Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	₦'000	₦'000	₦'000	₦'000
Interest income on short-term bank deposits	1,561,700	1,568,103	1,500,755	1,478,066
Finance Income	1,561,700	1,568,103	1,500,755	1,478,066
Interest on bank loans	2,480,344	2,332,467	-	-
Interest on bank overdraft	221,438	478,065	-	-
Unwinding of discount (Note 27)	2,042	3,040	-	-
Government grant	245,095	204,005	-	-
Finance Costs	2,948,920	3,017,576	-	-
Net finance (cost) / income	(1,387,220)	(1,449,473)	1,500,755	1,478,066

9. Taxation

	The Group		The Company	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
Current tax				
Nigeria corporation tax charge for the year	1,909,444	2,175,294	666,390	218,890
Education tax	155,856	184,253	26,758	24,482
Capital gains tax	474,260	51,039	5,128	-
Minimum Tax	178,306	610,668	-	-
Prior year (over)/under provision	(439,017)	98,654	(297,924)	-
Total current tax charge	2,278,850	3,119,908	400,353	243,372
Deferred tax				
Temporary differences, origination and reversal	(170,507)	(549,569)	(13,468)	212,432
Total deferred tax	(170,507)	(549,569)	(13,468)	212,432
Income tax expense	2,108,343	2,570,339	386,885	455,804

Nigeria corporation tax is calculated at 30% (2015: 30%) of the taxable profit for the period and education tax is calculated at 2% (2015: 2%) of assessable profit.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



The tax charge for the period can be reconciled to the profit per the consolidated income statement as follows:

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Profit before tax	7,774,880	7,733,077	3,014,174	3,959,166
Tax at the Nigeria corporation tax rate of 30% (2015: 30%)	2,332,464	2,319,923	904,252	1,187,750
Education tax	155,856	184,253	26,758	24,482
Capital gains tax	474,260	51,039	5,128	-
Back duty tax	(439,017)	98,654	(297,924)	-
Utilisation of previously unrecognised tax credits	(593,527)	(694,198)	(251,330)	(756,428)
Minimum tax adjustment	178,306	610,668	-	-
Tax charge for the year	2,108,343	2,570,339	386,885	455,804

Reconciliation of the tax payable account

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Opening balance	4,749,821	4,481,335	2,277,742	3,087,532
Prior year over provision	(439,017)	-	(297,924)	-
Prior year under provision	-	98,654	-	-
Tax expense	2,278,850	3,119,908	400,353	243,372
Paid during the period	(1,789,541)	(2,921,034)	(24,482)	(1,053,162)
	4,885,789	4,749,821	2,355,689	2,277,742

10. Dividend

	The Company	
	2016	2015
Amounts recognised as distribution to ordinary shareholders in the year comprise:		
Final dividend for the year ended 31st December, 2015 paid in 2016		
2015: Final 2014 dividend paid in 2015) N'000	1,920,864	3,361,512
Number of shares (000)	1,920,864	1,920,864
Dividends per share (kobo per share)	100	175

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

11. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

Profit attributable to ordinary equity shareholders:	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Profit from continuing operations	3,750,748	2,983,494	2,627,290	3,503,362
Basic earnings per share				
From continuing operations (Kobo)	195	155	137	182
From profit for the period (Kobo)	195	155	137	182
Diluted earnings per share				
From continuing operations (Kobo)	195	155	137	182
From profit for the period (Kobo)	195	155	137	182

	The Company	
	2016 Number	2015 Number
Basic weighted average and Diluted weighted average number of shares (000)	1,920,864	1,920,864

(b) Diluted

Diluted earnings per share is the same as basic earnings per share because there is no potential ordinary shares during the period.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

12. Property, Plant and Equipment

The Group

Cost	Leasehold land and buildings N'000	Plant and Machinery N'000	Computer Equipment N'000	Motor Vehicles N'000	Office Furniture N'000	Capital Work in progress N'000	Total N'000
At 1 January 2015	24,339,363	18,223,752	539,954	4,786,976	2,753,307	2,616,027	53,259,380
Additions	83,516	223,173	85,929	288,011	80,955	1,047,110	1,808,693
Disposals	-	(455,805)	(17,599)	(768,833)	(90,420)	(3,735)	(1,336,392)
Transfers	-	3,238	(475)	(2,169)	8,019	(8,397)	216
Write Off	-	(1,413)	(1,609)	(206)	-	-	(3,228)
Reclassifications	743,408	(54,993)	373,198	201,304	(86,139)	(1,176,779)	-
Other reclassifications	-	285	533	5,510	210	-	6,537
At 31 December 2015	25,166,287	17,938,237	979,930	4,510,594	2,665,931	2,474,226	53,735,206
At 1 January 2016	25,166,287	17,938,237	979,930	4,510,594	2,665,931	2,474,226	53,735,206
Additions	142,760	464,786	78,393	379,775	44,591	729,184	1,839,488
Disposals	(141,694)	(396,992)	(6,514)	(630,456)	(33,937)	-	(1,209,593)
Write Off*	-	(20,002)	(5,217)	(20,003)	(3,705)	-	(48,926)
Reclassifications	205,510	238,261	8,474	70,875	916	(524,036)	-
Other reclassifications**	-	12,151	7,480	-	-	(93,807)	(74,176)
At 31 December 2016	25,372,864	18,246,924	1,062,546	4,310,785	2,673,946	2,574,934	54,241,999

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

The Group Cost

	Leasehold land and buildings ₦'000	Plant and Machinery ₦'000	Computer Equipment ₦'000	Motor Vehicles ₦'000	Office Furniture ₦'000	Capital Work in progress ₦'000	Total ₦'000
Accumulated depreciation and impairment							
At 1 January 2015	2,762,013	7,483,936	343,042	3,349,759	2,046,952	-	15,985,701
Charge for the year	365,122	1,125,741	85,430	473,022	299,218	-	2,348,533
Impairment charge	453,173	37,233	12	117	7,806	-	498,341
Disposals	-	(449,359)	(16,641)	(651,596)	(79,494)	-	(1,197,090)
Transfers	-	-	(474)	(2,081)	-	-	(2,555)
Write Off	-	-	(24)	(21)	-	-	(45)
Reclassifications	194,474	(268,226)	210,394	(10,686)	(125,955)	-	-
Other reclassifications	(863)	77	433	2,468	171	-	2,286
At 31 December 2015	3,773,918	7,929,402	622,173	3,160,981	2,148,697	-	17,635,171
At 1 January 2016	3,773,918	7,929,402	622,173	3,160,981	2,148,697	-	17,635,171
Charge for the year	575,101	1,242,749	137,389	291,928	136,120	-	2,383,288
Disposals	(48,137)	(285,334)	(6,454)	(629,124)	(33,732)	-	(1,002,780)
Write Off*	-	(17,587)	(5,117)	(18,002)	(3,645)	-	(44,352)
At 31 December 2016	4,300,882	8,869,229	747,991	2,805,783	2,247,441	-	18,971,327
Net book values:							
At 31 December 2016	21,071,982	9,377,695	314,555	1,505,001	426,506	2,574,934	35,270,673
At 31 December 2015	21,392,370	10,008,835	357,757	1,349,612	517,234	2,474,226	36,100,036

*Assets written off include fully depreciated assets no longer in use and damaged assets identified during the period.

**Other reclassifications are assets that were transferred to/from PPE, to/from Intangible asset and Investment properties due to change in the use. Also, cost relating to SAP ERP implementation accumulated in PPE was transferred to intangible asset during the period.

The non-current assets are not pledged as security by the group.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

12(i) Property, Plant and Equipment

The Company

Cost	Leasehold land and buildings N'000	Plant and Machinery N'000	Computer Equipment N'000	Motor Vehicles N'000	Office Furniture N'000	Capital Work in progress N'000	Total N'000
At 1 January 2015	516,850	545,151	66,811	238,434	53,000	-	1,420,245
Additions	25,480	-	42,402	92,775	3,482	17,884	182,022
Disposals	-	(3,720)	-	(87,498)	(127)	-	(91,344)
Transfers	-	-	(475)	(4,640)	-	-	(5,115)
Reclassifications	-	(307,673)	290,296	-	17,378	-	-
At 31 December 2015	542,329	233,758	399,034	239,070	73,733	17,884	1,505,808
At 1 January 2016	542,329	233,758	399,034	239,070	73,733	17,884	1,505,808
Additions	25,295	-	24,321	7,345	6,656	3,975	67,592
Disposals	-	(7,243)	(424)	(31,106)	(6,449)	-	(45,223)
Transfers*	-	-	(154)	(6,930)	-	-	(7,084)
Reclassifications	9,410	-	8,474	-	-	(17,884)	-
At 31 December 2016	577,034	226,515	431,251	208,378	73,940	3,975	1,521,094
Accumulated depreciation and impairment							
At 1 January 2015	123,879	227,684	-	128,193	47,980	-	527,736
Charge for the year	13,417	72,570	-	46,773	2,260	-	135,021
Disposals	-	(2,384)	25,238	(76,222)	(103)	-	(53,472)
Transfers	-	-	(474)	(2,081)	-	-	(2,555)
Reclassifications	-	(153,157)	142,442	-	10,715	-	-
At 31 December 2015	137,296	144,713	208,036	96,662	60,851	-	647,558
At 1 January 2016	137,296	144,713	208,036	96,662	60,851	-	647,558
Charge for the year	13,991	27,987	77,305	45,240	6,196	-	170,719
Disposals	-	(7,242)	(421)	(23,635)	(6,425)	-	(37,723)
Transfers*	-	-	(153)	(5,886)	-	-	(6,039)
At 31 December 2016	151,288	165,458	284,767	112,381	60,622	-	774,515

Net book values

At 31 December 2016	425,746	61,057	146,485	95,997	13,318	3,975	746,578
At 31 December 2015	405,033	89,045	190,999	142,407	12,881	17,884	858,249

*Transfers relate to the value of assets transferred to subsidiaries.

The non-current assets are not pledged as security by the company.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

13. Intangible Assets and Goodwill

Cost	Group				Company	
	Goodwill	Brands & Trade Marks	Software	Total	Software	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2015	548,747	1,070,185	905,788	2,524,720	168,590	168,590
Additions - externally acquired during the year	-	-	174,077	174,077	5,354	5,354
Transfer from PPE	-	-	(7,362)	(7,362)	-	-
At 31 December 2015	548,747	1,070,185	1,072,503	2,691,435	173,944	173,944
At 1 January 2016	548,747	1,070,185	1,072,503	2,691,435	173,944	173,944
Additions - externally acquired during the year	-	-	40,673	40,673	5,853	5,853
At 31 December 2016	548,747	1,070,185	1,113,175	2,732,108	179,797	179,797
Accumulated amortisation and impairment						
At 31 December 2015	-	288,439	393,828	682,268	59,995	59,995
Amortisation for the year	-	-	146,521	146,521	34,967	34,967
At 31 December 2015	-	288,439	540,349	828,788	94,962	94,962
At 1 January 2016	-	288,439	540,349	828,788	94,962	94,962
Amortisation for the period	-	-	227,385	227,385	35,667	35,667
At 31 December 2016	-	288,439	767,734	1,056,173	130,629	130,629
Net book values						
At 31 December 2016	548,747	781,746	345,442	1,675,935	49,168	49,168
At 31 December 2015	548,747	781,746	532,154	1,862,646	78,982	78,982

Impairment Test for Goodwill

Goodwill acquired through business combination is allocated to each of the Cash-Generating Unit (CGU) that are expected to benefit from the synergies of the combination. For the purpose of allocation, the individual entities were regarded as single cash generating unit.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



The following is a summary of goodwill allocation for each operating segment:

	Opening ₦'000	Addition ₦'000	Disposal ₦'000	Impairment ₦'000	Other Adjustments ₦'000	Closing ₦'000
2016						
Livestock Feeds	209,705	-	-	-	-	209,705
Portland Paints	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747

	Opening ₦'000	Addition ₦'000	Disposal ₦'000	Impairment ₦'000	Other Adjustments ₦'000	Closing ₦'000
2015						
Livestock Feeds	209,705	-	-	-	-	209,705
Portland Paints	339,042	-	-	-	-	339,042
	548,747	-	-	-	-	548,747

The company performed its annual impairment test on November 29 2016. The company considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2016, the market capitalisation of the Company was above the book value of its equity.

Foods CGU under Livestock Feeds

The recoverable amount of Food and Beverage which is the only segment under Livestock Feeds CGU is ₦5.2 billion as at 31 December 2016, it has been determined based on a value in use calculation using cash flow projections from financial budgets approved by Senior Management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for services. The pre-tax discount rate applied to cash flow projections is 16.47%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from UACN specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceeds the carrying value of the CGU. As a result of this analysis, Management has concluded that there was no impairment charged as at 31 December 2016.

Paints CGU under Portland Paints

The recoverable amount of Paints which is the only segment under Portland Paints CGU is ₦1.529 billion as at 31 December 2016, it has been determined based on a value in use calculation using cash flow projections from financial budgets approved by Senior Management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 14.8%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from UACN specific investment evaluation policy and dividend growth rate. The

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

revenue growth rate used in the cash flow projection was 15% for the years 2016 - 2020 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceeds the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment charged as at 31 December 2016.

Key Assumptions Used in Value-in-Use Calculations and Sensitivity to Changes In Assumptions

The calculation of value-in-use for Livestock Feeds and Portland Paints CGUs is most sensitive to the following assumptions:

- Gross margins growth rates
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Gross margins growth rates - Gross margins growth rates are based on expected efficiency gains resulting from improved inventory management systems in both entities. The forecast gross margin growth rates amounted to Compound Annual Growth Rates (CAGR) of 16% and 14% for Livestock Feeds and Portland Paints respectively.

Decreased demand can lead to a decline in the gross margin growth rates. A decrease in the Gross Margin CAGR of 1% would result in impairment in Livestock Feeds CGU, while a decrease in the Gross Margin CAGR of 3% would result in impairment in Portland Paint CGU.

Discount Rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its Weighted Average Cost of Capital (WACC).

The WACC takes into account equity. The cost of equity is derived from the expected return on investment by the Company's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in the pre-tax discount rate to 30.0% and 16.0% (i.e. +13.59% and +1.2%) in Livestock Feeds CGU and Portland Paint CGU respectively would result in impairment.

Growth Rate Estimates -(Subjective estimates based on Market trends)

Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of 5.5% for

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



Portland Paints CGU and 5.3% for Livestock Feeds CGU. A reduction of 1.3% in the long-term growth rate in Livestock Feeds CGU would result in impairment while a reduction of 7.5% in the long term growth rate in Portland Paints CGU would result in impairment.

Other Intangible Assets - Software represents the Group's investment on license and technical agreement for its accounting and operations software. It is being amortised to the income statement over a period of five years, in accordance with the Group's policy. The Group acquired trademark of ₦49 million through its business combination with Portland Paints. Portland Paints purchased the trademark from Blue Circle Industries PLC for the company's decorative paints' business. The intangible asset has been adjudged to have an indefinite life span. It was tested for impairment on 1st December and no impairment was deemed required. In carrying out the impairment test, the company conducted a "value-in-use" fair valuation exercise of the asset by applying the "Relief From Royalty" methodology, using a 5 year Cash Flow Forecast for the asset specific revenue, a Royalty Rate of 3% and a Weighted Average Cost of Capital (or Discount Rate) of 17.5%. The recoverable amount of the asset was estimated at N355.6 million as against the carrying amount of ₦49 million, thereby resulting in a nil impairment for the asset.

14. Investment Property

	The Group			The Company		
	Freehold building	Leasehold building	Total investment properties	Freehold building	Leasehold building	Total investment properties
Fair value	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2015	708,898	19,215,524	19,924,422	-	3,198,600	3,198,600
Additions during the year	-	54,377	54,377	-	784	784
Reclassification from property stocks held as inventories (Note 19)	-	260,000	260,000	-	-	-
Disposals	-	(276,365)	(276,365)	-	(35,000)	(35,000)
Net gain/(loss) from fair value adjustments on investment property	11,837	61,056	72,893	-	(179,784)	(179,784)
At 31 December 2015	720,735	19,314,592	20,035,327	-	2,984,600	2,984,600
At 1 January 2016	720,735	19,314,592	20,035,327	-	2,984,600	2,984,600
Additions during the period	-	19,743	19,743	-	4,201	4,201
Reclassification from property stocks held as inventories	-	312,845	312,845	-	-	-
Disposals	-	(2,125,050)	(2,125,050)	-	(75,000)	(75,000)
Net gain from fair value adjustments on investment property	-	1,627,369	1,627,369	-	118,399	118,399
At 31 December 2016	720,735	19,149,499	19,870,234	-	3,032,200	3,032,200

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Fair value of investment properties is categorised as follows:

31-Dec-16	The Group			The Company		
	Freehold building N'000	Leasehold building N'000	Total investment properties N'000	Freehold building N'000	Leasehold building N'000	Total investment properties N'000
External valuation	720,735	19,149,499	19,870,234	-	3,032,200	3,032,200
	720,735	19,149,499	19,870,234	-	3,032,200	3,032,200

Fair value of investment properties is categorised as follows:

31-Dec-15	The Group			The Company		
	Freehold building N'000	Leasehold building N'000	Total investment properties N'000	Freehold building N'000	Leasehold building N'000	Total investment properties N'000
External valuation	720,735	19,314,592	20,035,327	-	2,984,600	2,984,600
	720,735	19,314,592	20,035,327	-	2,984,600	2,984,600

The Group's investment properties were revalued at 31 December 2016 by an independent professionally qualified valuer who holds recognised relevant professional qualifications and has recent experience in the locations and categories of the investment properties valued. The latest valuation was performed by the external Surveyor- Messrs Steve Akhigbemidu & Co. (FRC/2013/NIESV/000000001442).

Internal and inter-group valuation are performed by UAC Property Development Company PLC who hold recognised relevant professional qualifications and have recent experience in the locations and categories of the investment properties valued.

Rental income schedule	The Group		The Company	
	31 Dec 2016 N'000	31 Dec 2015 N'000	31 Dec 2016 N'000	31 Dec 2015 N'000
Rental income derived from investment properties	648,421	608,676	87,461	78,405
Direct operating expenses (including repairs and maintenance) on investment property generating rental income	(77,340)	(67,022)	(13,282)	(19,322)
Profit arising from investment properties carried at fair value	571,081	541,654	74,179	59,083

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Operating lease commitments - Group and Company as lessors

UAC as lessor enters into operating leases for its investment properties under non-cancellable basis, as the lessee does not have the power to cancel the contract without the permission of the lessor. The tenure of the lease arrangements vary, but typically range between one year and five years. The Group as lessor does not have any lease arrangements under finance lease basis, it does not typically transfer substantially all the risks and rewards incidental to ownership of leased assets to the lessee. All leased assets under operating leases are classified as Investment Properties and faired valued annually based on the group's accounting policy and in line with the requirements of IAS 40

Future minimum rentals receivable under non-cancellable operating leases as at 31st December are as follows :

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
0-1 year	295,080	315,515	74,944	74,145
1-5 years	339,407	424,702	334,807	408,951
Above 5 years	-	-	-	-
Total	634,487	740,217	409,751	483,096

The minimum lease payments under non-cancellable operating leases in aggregate is ₦634 million (₦740 million: 2015), of which approximately ₦295 million (2015: N316 million) is expected within one year and ₦339 million (2015: ₦425 million) within the next one to five years. The group has not recognised any contingent rents in income for the years ended December 31 2016 and 2015.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

15. Investments in Subsidiaries

Company	31 Dec 2016 ₦'000	31 Dec 2015 ₦'000		
Opening balance	11,641,051	11,641,051		
Additions - Additional 7.5% acquisition in Portland Paints PLC	118,824	-		
Closing Balance	11,759,874	11,641,051		

	31 Dec 2016 ₦'000	31 Dec 2015 ₦'000	31 Dec 2016 % ownership	31 Dec 2015 % ownership
Quoted shares:				
Chemical and Allied Products Plc 350,652,700 ordinary shares of 50k each	114,461	114,461	50.18	50.18
UACN Property Development Company Plc 790,625,000 ordinary shares of 50k each	2,222,209	2,222,209	46.00	46.00
Livestock Feeds Plc 1,020,100,000 ordinary shares of 50k each	1,304,372	1,304,372	51.00	51.00
Portland Paints Plc 288,821,125 ordinary shares of 50k each	1,278,248	1,159,424	72.20	64.70
Unquoted shares:				
Warm Spring Waters Nigeria Limited 447,214,457 ordinary shares of ₦1 each	46,475	46,475	75.94	75.94
Grand Cereals Limited 876,555,000 ordinary shares of ₦1 each	2,247,333	2,247,333	64.93	64.93
UNICO CPFA Limited 130,005,000 ordinary shares of ₦1 each	130,000	130,000	86.67	86.67
UAC Foods Limited 102,000,000 ordinary shares of 50k each	2,414,414	2,414,414	51.00	51.00
MDS Logistics Ltd 51,000,000 ordinary shares of 50k each	1,861,233	1,861,234	51.00	51.00
UAC Restaurants Limited 510,000 ordinary shares of ₦1 each	141,130	141,130	51.00	51.00
Closing balance	11,759,874	11,641,051		

Investments in subsidiaries are measured at cost

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

16. Available-for-Sale Financial Assets

The details and carrying amount of available-for-sale financial assets are as follows:

	The Group		The Company	
	2016 ₦'000	2015 ₦'000	2016 ₦'000	2015 ₦'000
Opening Balance as at 1 January	19,308	22,312	1,001	1,001
Fair value Loss on available-for-sale financial assets	(112)	(3,004)	-	-
	19,197	19,308	1,001	1,001

The Group

Available-for-sale financial assets represent investment in quoted shares in the following Companies: First Bank of Nigeria Ltd, United Bank for Africa PLC, Zenith Bank PLC, Africa Prudential Registrars PLC and UBA Capital PLC.

The Company

This represents investments in unquoted equities of the following companies : Industrial Investments Ltd, LACOM Communications Ltd and Trade Investment Ltd. These are companies incorporated and operating in Nigeria. It is classified as available-for-sale instrument and is carried at cost. The fair value cannot be determined as the companies are not listed in an active market and there are no reliable data or input to calculate the fair value.

17. Investments in associates and equity accounted joint ventures

	The Group		The Company	
	2016 ₦'000	2015 ₦'000	2016 ₦'000	2015 ₦'000
Associate				
UPDC's Investment in UPDC REIT	19,214,990	19,109,799	-	-
Joint Ventures				
UPDC Metro City Limited	-	244,170	-	-
First Festival Mall Limited	407,683	234,427	-	-
James Pinnock*	-	1,535,865	-	-
Transit Village Dev. Co. Ltd**	73,606	73,606	-	-
At 31 December	19,696,279	21,197,867	-	-

*James Pinnock was reclassified as Joint operation during the year as a result of modification to the arrangement. This had the accounting implication of recognising the company's interest in the assets, liabilities, revenue and expenses of the operation.

** Transit Village JV is not yet operational. The company's investment represents the seed Capital contributed towards acquiring the land for the project.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

17.1 Investments in Associate

Investments in Associate above represents UPDC's investment in REIT as at 31st December 2016. The associate as stated above have share Capital consisting solely of ordinary shares, which are directly held by the Group. The country of incorporation or registration is also their principal place of business.

The UPDC Real Estate Investment Trust (REIT) is a close-ended real estate investment trust which is listed on the Nigerian Stock Exchange. As at 31st December 2016, the fair value of each unit holders' contribution in UPDC REIT is ₦10.

The movement in the investment in associate during the year is stated below:

	2016 ₦'000	2015 ₦'000
At 1 January	19,109,799	18,538,371
Share of profit (Note 17.3)	1,160,660	1,787,462
Dividend received	(1,055,469)	(1,216,034)
At 31 December	19,214,990	19,109,799

17.2 Investments in Joint Ventures

All Joint Ventures are primarily set up for projects. The investments in Joint Ventures were measured at cost.

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

	2016 ₦'000	2015 ₦'000
At 1 January	2,088,068	2,088,068
Share of profit of First Festival Mall Limited (Note 17.3)	173,256	-
Impairment of investment in UPDC Metro City Limited (Note 17.3)	(244,170)	-
Reclassification of investment in James Pinnock to Property Under Construction	(1,535,865)	-
At 31 December	481,289	2,088,068



Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Set out below are the summarised financial information for the associates and joint ventures accounted for using the equity method.

Name	Country of incorporation	Non current assets N'000	Current assets N'000	Non current liabilities N'000	Current liabilities N'000	Cash & Cash Equivalent N'000	Net Asset N'000	Carrying value N'000	% Interest held
31 Dec 2016									
Associate									
UPDC REITS	Nigeria	23,573,230	8,809,531	-	1,138,875	7,307	31,243,886	19,214,990	61.5%
Joint Ventures									
First Festival Mall Limited	Nigeria	11,811,778	728,097	10,518,184	1,116,196	242,937	905,495	407,683	45%
First Restoration Dev. Coy Limited	Nigeria	-	787,492	950,331	162,516	8,317	(325,355)	-	51%
Pinnacle Apartment Dev. Limited	Nigeria	-	2,243,746	-	1,868,482	162,918,013	375,264	-	51%
Calabar Golf Estate Limited	Nigeria	-	1,199,684	-	1,325,837	-	(126,153)	-	51%
UPDC Metrocity Ltd	Nigeria	1,867,664	1,771,587	2,306,044	3,315,759	-	(1,982,551)	-	60%
Transit Village	Nigeria	136,010	-	-	-	-	136,010	73,606	40%

Name	Revenue	Depreciation N'000	Interest Income N'000	Interest Expense N'000	Tax Expense N'000	Profit/ (Loss) N'000
31 Dec 2016						
Associate						
UPDC REITS	1,311,245	-	750,272	-	-	1,979,600
Joint Ventures						
First Festival Mall Limited	645,864	24,026	-	960,744	161,272	385,013
First Restoration Dev. Coy Limited	235,000	-	-	107,705	-	(164,717)
Pinnacle Apartment Dev. Limited	1,199,750	-	-	247,647	-	(292,417)
Calabar Golf Estate Limited	55,000	-	-	121,317	-	(127,153)
UPDC Metrocity Ltd	3,995,500	-	-	-	-	(2,389,500)

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Name	Country of incorporation	Non current assets ₦'000	Current assets ₦'000	Non current liabilities ₦'000	Current liabilities ₦'000	Cash & Cash Equivalent ₦'000	Net Asset ₦'000	Carrying value ₦'000	% Interest held
31 Dec 2015									
Associate									
UPDC REITS	Nigeria	25,003,035	7,489,357	1,754,718	64,460	2,799,647	30,673,214	19,109,799	61.5%
Joint Ventures									
First Festival Mall Ltd	Nigeria	8,545,169	357,850	-	5,430,020	184,702	3,472,999	234,427	45%
1st Restoration Dev. Coy Ltd	Nigeria	1,456,070	53,758	305,325	1,204,503	53,758	-	-	51%
Pinnacle Apartment Dev. Ltd	Nigeria	3,315,484	113,951	650,000	2,779,436	113,951	-	-	51%
Calabar Golf Estate Ltd	Nigeria	1,293,112	-	775,000	518,112	-	-	-	51%
UPDC Metrocity Ltd	Nigeria	9,648,564	21,087	-	6,956,658	21,087	2,712,993	244,170	60%
James Pinnock	Nigeria	2,450,912	2,558,818	1,998,230	-	-	3,011,500	1,535,865	51%
Transit Village	Nigeria	136,010	-	-	-	-	136,010	73,606	40%

Name	Revenue	Depreciation ₦'000	Interest Income ₦'000	Interest Expense ₦'000	Tax Expense ₦'000	Profit/ (Loss) ₦'000
31 Dec 2015						
Associate						
UPDC REITS	1,513,467	-	1,137,811	-	-	2,711,345
Joint Ventures						
First Festival Mall Limited	-	-	-	347,061	-	-
First Restoration Dev. Coy Limited	-	-	-	-	-	-
Pinnacle Apartment Dev. Limited	-	-	-	-	-	-
Calabar Golf Estate Limited	-	-	-	54,750	-	-
UPDC Metrocity Ltd	-	-	-	59,976	-	-

Investments in associates and Joint Ventures are measured at cost.

The associate and joint venture companies noted above are Special Purpose Vehicles (SPVs) set up between UPDC and other parties (including land owners, private equity firms and other financiers) for real estate development. UPDC has equity contributions in First Festival Mall Limited, UPDC Metro City Limited, James Pinnock Place and Transit Village as designated. The company had no commitment or contingent liabilities to the associate and joint ventures as at

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

December 31st 2016, beyond the equity contributions held and outstanding working Capital advances.

UPDC has no direct equity contribution in the Pinnacle Apartments Development Ltd, First Restoration Development Co. Ltd and Calabar Golf Estate Ltd. These three SPVs have nominal share Capital designated for the purpose of profit sharing only. The joint ventures are not equity backed; the land contribution by the JV partners are treated as interest-free loans to the ventures which will be deducted from sales proceeds as part of project development costs and paid back to the partners before profits are shared. The nominal share holding by UPDC and the other parties entitles them only to a share of the net profit which is determinable at the project closure.

With the exception of the associate (UPDC REIT), all the SPV companies are nominal companies and will be wound up once the projects are completed and developed house units are fully sold.

UPDC plans to hold 40% of the REIT for the long term. The surplus stake of 21.5% is to be disposed for cash.

17.3 Share of profit of Associates and Joint Ventures using the equity method

	The Group		The Company	
	2016 ₦'000	2015 ₦'000	2016 ₦'000	2015 ₦'000
Share of profit in REIT (Associate)*	1,160,660	1,787,461	-	-
Share of profit of First Festival Mall Limited (Joint Venture)**	173,256	-	-	-
Share of loss in MetroCity***	(244,169)	-	-	-
Total	1,089,747	1,787,461	-	-

*Share of profit in REIT (Associate)

UPDC diversified its portfolio in 2013 through the floating of the UPDC Real Estate Investment Trust (REIT) at a Capital value of ₦26.7 billion listed on the Nigerian Stock Exchange (NSE) on 1st July, 2013. The REIT is a property fund backed by five (5) major investment properties located in Lagos, Abuja and Aba. The REIT's income comprises of rental income from the property assets and interest earned from short term investments in money market instruments and other real estate related assets. UPDC held 61.5% of the fund at 31st December 2016. The share of profit recognised in the group financial statements relates to UPDC's share of the REIT's profit for the year ended 31st December 2016.

The revaluation gain is not distributable until the affected investment properties are disposed.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

****Share of profit of First Festival Mall Limited (Joint Venture)**

First Festival Mall reported a profit after tax of ₦385.0 million for the year ended 31st December 2016. The share of the Group is based on UPDC's 45% share holding is ₦173.26 million.

*****Share of Loss in MetroCity (Joint Venture)**

The Group's share of loss in UPDC Metro City Ltd for the year exceeded the investment in the Joint Venture of ₦244.2 million. In line with IAS 28, the investment is deemed to be impaired and is written down to nil value.

18. Inventories

	The Group		The Company	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
Raw materials and consumables	20,540,489	10,452,015	2,664	4,668
Technical stocks and spares	1,508,031	1,232,933	-	-
Properties under construction (Note 19)	12,672,131	12,166,714	-	-
Finished goods and goods for resale	2,084,541	1,477,207	-	-
	36,805,193	25,328,868	2,664	4,668

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

The Group

During the year ended 31st December 2016 ₦112 million (2015: Nil) was charged to the income statement for damages, obsolescence and write downs.

19. Properties Under Construction Included in Inventories

The Group

Cost/Valuation	2016	2015
	₦'000	₦'000
Balance 1 January	12,166,714	9,489,183
Additions	5,021,016	5,896,842
Disposals	(2,346,900)	(3,178,378)
Reclassification as investment properties (Note 14)	(368,732)	(260,000)
Provision for Maitama Land	-	(5,423)
Provision for Manor Gardens	(132,936)	-
Other Losses from completed projects (Note 6(ii))	(1,695,579)	-
Unrealised gain on transfer of asset	28,548	224,489
Balance 31 December	12,672,131	12,166,714

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

20. Trade and Other Receivables

Receivables due within one year	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Trade receivables	4,714,069	5,397,726	-	-
Less: allowance for impairment of trade receivables	(1,444,698)	(1,755,065)	-	-
Net trade receivables	3,269,371	3,642,661	-	-
Receivables from Group companies (Note 30)	-	-	9,167,137	7,792,449
Other receivables	9,116,701	7,666,104	47,483	421,339
Advance payments	243,047	1,063,027	-	-
WHT receivable	906,323	796,188	356,061	264,227
Prepayments - staff grants	242,803	271,983	47,453	65,802
Prepayments- Others	1,408,841	1,216,474	21,724	28,551
	15,187,085	14,656,437	9,639,859	8,572,367

Trade receivables are non-interest bearing and are generally due for settlement within 30 days and therefore are all classified as current. They are amounts due from customers for goods sold or services performed in the ordinary course of business.

Other receivables are amounts that generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Advance payments are mobilisation fees made to contractors for the supply of goods and services.

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Prepayments - Current	1,651,643	1,488,457	69,177	94,352
Prepayments - Non-current	13,402	10,789	-	-
Total prepayments	1,665,045	1,499,246	69,177	94,352

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

The balance on prepayment represent rent and insurance paid in advance which will be charged against earnings in the periods they relate to.

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

	The Group		The Company	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
At 1 January	1,755,065	1,680,892	-	-
(Recovery from)/ Allowance for receivables impairment	(310,367)	74,173	-	-
At 31 December	1,444,698	1,755,065	-	-

21. Cash and cash equivalents

	The Group		The Company	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
Cash at bank and in hand	861,217	1,407,997	67,217	22,000
Short-term deposits	8,684,368	7,804,402	4,183,329	3,409,237
Cash and short-term deposits	9,545,585	9,212,399	4,250,546	3,431,237

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

In 2015, Securities and Exchange Commission directed all Registrars to return all unclaimed dividends, which have been in their custody for fifteen months and above, to the paying companies. Included in the cash and short-term deposits is ₦2.1b which represents unclaimed dividends received from Africa Prudential Registrars as at December 2016.

(i) Reconciliation to Statement of Cash Flow

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	The Group		The Company	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
Cash and short-term deposits	9,545,585	9,212,399	4,250,546	3,431,237
Bank Overdrafts (Note 22)	(4,649,637)	(1,808,626)	-	-
Balances per statement of cash flow	4,895,948	7,403,773	4,250,546	3,431,237

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



22. Borrowings

	The Group		The Company	
	2016 #’000	2015 #’000	2016 #’000	2015 #’000
Current borrowings				
Overdrafts due within one year	4,649,637	1,808,626	-	-
Commercial papers due within one year	19,871,559	15,713,922	-	-
	24,521,196	17,522,548	-	-
Non-current borrowings				
Loans due after one year (i)	5,275,238	8,125,644	-	-
Total borrowings	29,796,434	25,648,191	-	-

The borrowings are repayable as follows:

	The Group		The Company	
	2016 #’000	2015 #’000	2016 #’000	2015 #’000
Within one year	24,521,196	17,522,548	-	-
Between one to two years	-	-	-	-
Between two to three years	5,231,746	7,888,237	-	-
More than three years	43,492	237,407	-	-
	29,796,434	25,648,191	-	-

(i) Loans due after one year

Group

	Amount due		Maturity date
	2016 #’000	2015 #’000	
Details of the loan maturities due after one year are as follows:			
Facility			
Grand Cereals Ltd - Sterling Bank PLC and Stanbic IBTC Bank PLC	1,148,148	1,592,593	July, 2020
PPPNP-Bank of Industry	43,492	133,811	January, 2018
CAP - Stanbic IBTC	83,598	-	January, 2019
	1,275,238	1,726,404	
Term Loan:			
UPDC - Guaranty Trust Bank	2,000,000	2,976,720	August, 2019
UPDC - First Securities Discount House	2,000,000	3,422,519	May, 2019
	5,275,238	8,125,644	

The average interest rate for facilities from local banks during the period was 13.6% (2015 was 15.8%).

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

23. Trade and Other Payables

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Trade payables	4,897,420	5,985,972	-	-
Provision for employee leave	23,182	35,414	7,606	8,996
Other payables	7,382,804	5,059,884	82,551	39,649
Advance from customers	1,346,480	1,026,462	-	-
Accruals	4,269,376	3,743,154	725,634	580,603
Total	17,919,261	15,850,886	815,791	629,248

Terms and conditions of the above financial liabilities

Trade payables are non-interest bearing and are normally settled between 30 and 60-day terms.

Other payables are non-interest bearing and have an average term of six months.

Advance from customers are deposits or down-payments received from customers for products.

Accruals relate to accrued professional fees, accrued consultant fees, accrued audit fees and other accrued expenses.

24. Government Grant

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
At 1 January	260,761	137,765	-	-
Amount received during the year	197,619	351,516	-	-
Released to the statement of profit or loss	(222,515)	(228,520)	-	-
At 31 December	235,866	260,761	-	-
Current	226,652	228,521	-	-
Non-current	9,214	32,240	-	-
	235,866	260,761	-	-

Government Grant relates to government facilities received by two entities - Livestock Feeds PLC and Portland Paints and Products Nigeria PLC, at below-market rates of interest. The facilities are meant to assist in the procurement of certain items of plant and machinery. In both entities, the grants are recognised as deferred income and amortised to profit or loss on a systematic basis over the useful life of the asset in line with their respective accounting policies.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



25. Deferred Revenue

	The Group		The Company	
	2016 ₦'000	2015 ₦'000	2016 ₦'000	2015 ₦'000
At 1 January	323,112	306,844	65,991	92,759
Deferred during the period	708,984	717,446	220,174	164,227
Released to the statement of profit or loss	(726,718)	(701,178)	(205,523)	(190,995)
At 31 December	305,378	323,112	80,642	65,991
Current	300,778	307,361	80,642	65,991
Non-current	4,600	15,751	-	-
	305,378	323,112	80,642	65,991

Deferred revenue are rentals received in advance which are recognized in the statement of profit or loss when earned.

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

26. Dividend Payable

	The Group		The Company	
	2016 ₦'000	2015 ₦'000	2016 ₦'000	2015 ₦'000
As at 1 January	2,759,611	1,932,251	2,759,611	1,932,251
Dividend declared	1,920,864	3,361,512	1,920,864	3,361,512
Dividend paid during the year	(1,863,293)	(3,242,072)	(1,863,293)	(3,242,072)
Unclaimed dividend refunded	865,330	707,920	865,330	707,920
At 31 December	3,682,512	2,759,611	3,682,512	2,759,611

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

27. Provisions

The Group

	Contingent Liabilities ₹'000	Legal claim ₹'000	Decommissioning liability ₹'000	Total ₹'000
At 1 January 2016	50,000	60,023	23,578	133,601
Unwinding of discount	-	-	2,042	2,042
Derecognised liabilities	-	-	(3,497)	(3,497)
Arising during the period	-	14,734	-	14,734
31 December 2016	50,000	74,757	22,123	146,880

Current	50,000	74,757	-	124,757
Non-current	-	-	22,123	22,123

At 1 January 2015	50,000	57,947	24,118	132,065
Unwinding of discount	-	-	3,040	3,040
Derecognised liabilities	-	-	(3,580)	(3,580)
Arising during the year	-	2,076	-	2,076
31 December 2015	50,000	60,023	23,578	133,600

Current	50,000	60,023	-	110,023
Non-current	-	-	23,578	23,578

The Company

	Contingent Liabilities	Legal claim	Decommissioning liability	Total
At 1 January 2016	-	42,043	-	42,043
Arising during the year	-	14,734	-	14,734
31 December 2016	-	56,777	-	56,777

Current	-	-	-	-
Non-current	-	56,777	-	56,777

At 1 January 2015	-	39,967	-	39,967
Arising during the year	-	2,076	-	2,076
31 December 2015	-	42,043	-	42,043

Current	-	42,043	-	42,043
Non-current	-	-	-	-



Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Contingent Liabilities

The contingent liability arose from the fair value of assets acquired, liabilities assumed and the non-controlling interest of Portland Paints PLC at the acquisition date. The contingent liability was a Garnishee order arising from legal claim. A judgment fee of ₦50 million was imposed by the lower court, but the Group is challenging the judgment at the Supreme court for resolution. The group is also looking at out of court settlement currently.

Legal Claim

In June 2014, an award was made against the group in respect of a legal claim made by a claimant. The award requires a payment of \$136,805 rent and service charges to the claimant. A provision has been recognised for this amount. However, we have applied for stay of execution of the award and also filed an application for the setting aside of the award for being null and void. No payment has been made to the claimant pending outcome of the stay of execution. The Lagos high court is currently reviewing the case.

Decommissioning Liability

A Subsidiary of the company (UAC Restaurants Limited) has a number of leasehold properties converted to Restaurants, which are required by agreements to be restored back to their original condition upon the expiry of the leases. Decommissioning Liability relates to the provisions made for decommissioning costs relating to these properties. Management has applied its best judgment in determining the amount of the liability that will be incurred at the end of each lease term. Variables such as inflation rate and currency exchange rates amongst others, were considered in this estimate. 18% discount rate for the unwinding of the discount on the liability was determined using the "Capital Asset Pricing Model". The obligation is expected to crystallise in 2030.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

28. Deferred Tax

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	The Group		The Company	
	2016 ₹'000	2015 ₹'000	2016 ₹'000	2015 ₹'000
Deferred tax assets:				
- Deferred tax asset to be recovered after more than 12 months	145,977	231,652	-	-
	145,977	231,652	-	-
Deferred tax liabilities:				
- Deferred tax liability to be recovered after more than 12 months	(4,791,901)	(5,048,083)	(198,965)	(212,433)
Deferred tax (liabilities) / assets	(4,645,924)	(4,816,431)	(198,965)	(212,433)

The gross movement on the deferred income tax account is as follows:

	Group		Company	
	2016 ₹'000	2015 '000	2016 ₹'000	2015 ₹'000
At 1 January	(4,816,431)	(5,365,999)	(212,433)	-
(Charged)/credited to profit or loss	170,507	549,569	13,468	(212,433)
At 31 December 2016	(4,645,924)	(4,816,431)	(198,965)	(212,433)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

The Group

Deferred tax assets	PPE	Provisions (i)	Tax losses	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
At 1 January 2015	213,496	(10,886)	-	-	-	-	202,610
Credited to profit or loss	(34,410)	44,275	19,177	-	-	-	29,042
At 31 December 2015	179,086	33,389	19,177	-	-	-	231,652
At 1 January 2016	179,086	33,389	19,177	-	-	-	231,652
Charged to profit or loss	(72,616)	1,175	(14,234)	-	-	-	(85,675)
At 31 December 2016	106,470	34,564	4,943	-	-	-	145,977

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



The Group

Deferred Tax Liabilities	PPE	Provisions (i)	Tax losses	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2015	4,481,758	824	(195,411)	21,539	1,157,767	102,132	5,568,609
Charged/(credited) to profit or loss	(377,717)	(21,330)	(311,503)	(13,240)	303,987	(100,723)	(520,527)
At 31 December 2015	4,104,041	(20,506)	(506,914)	8,299	1,461,754	1,409	5,048,082
At 1 January 2016	4,104,041	(20,506)	(506,914)	8,299	1,461,754	1,409	5,048,082
(Charged)/credited to profit or loss	214,081	(50,404)	(644,691)	4,369	105,582	114,882	(256,182)
At 31 December 2016	4,318,121	(70,911)	(1,151,605)	12,668	1,567,336	116,291	4,791,901

The Company

Deferred Tax Liabilities	PPE	Provisions (i)	Tax losses	Exchange difference	Investment properties	Capital Gains to be reinvested	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2015	-	-	-	-	-	-	-
Charged/(credited) to profit or loss	(57,791)	(14,262)	-	(611)	285,097	-	212,433
At 31 December 2015	(57,791)	(14,262)	-	(611)	285,097	-	212,433
At 1 January 2016	(57,791)	(14,262)	-	(611)	285,097	-	212,433
(Credited)/charged to profit or loss	(18,112)	(2,770)	-	(1,803)	9,217	-	(13,468)
At 31 December 2016	(75,902)	(17,032)	-	(2,414)	294,314	-	198,965

(i) Provisions relate to impairment of financial instruments, write down of inventories to net realisable value and allowances.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

29. Share Capital Group and Company

	Number 000	2016 Amount R'000	2015 Number 000	Amount R'000
Authorised:				
Ordinary Shares of 50k each	3,000,000	1,500,000	3,000,000	1,500,000
Preference Shares of 50k each	400,000	200,000	400,000	200,000
Total authorised share Capital	3,400,000	1,700,000	3,400,000	1,700,000
Issued and fully paid:				
Ordinary shares of 50k each	1,920,864	960,432	1,920,864	960,432
Total called up share Capital	1,920,864	960,432	1,920,864	960,432

Movements during the period:

	Group and Company Number of shares '000	Ordinary shares R'000
At 31 December 2015	1,920,864	960,432
Capitalised during the period	-	-
At 31 December 2016	1,920,864	960,432

Nature and purpose of Other Reserves

Share Premium

Section 120.2 of Companies and Allied Matters Act requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium. The Share premium is to be capitalised and issued as scrips as approved by shareholders from time to time.

Contingency Reserve

The contingency reserve covers an appropriation of surplus or retained earnings that may or may not be funded, indicating a reservation against a specific or general contingency. The contingency reserve represents the transfer to statutory reserve of 12.5% of the profit after tax of UNICO CPFA Limited in line with section 69 of the Pension Reform Act 2004 (2014 as amended).

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



30. Reconciliation of profit before tax to cash generated from operations

	Group		Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Profit before tax	7,774,880	7,733,077	3,014,174	3,959,166
Adjustment for net finance (income)/costs	1,387,220	1,449,473	(1,500,755)	(1,478,066)
Operating profit	9,162,101	9,182,550	1,513,419	2,481,100
Amortisation of intangible assets	227,385	146,521	35,667	34,967
Share of associate and joint ventures' profit	(1,089,747)	(1,787,461)	-	-
Dividend income	-	-	(1,728,393)	(3,216,353)
Depreciation	2,383,288	2,348,533	170,719	135,021
Impairment charge on PPE	-	498,341	-	-
Interest on government grant	245,095	204,005	-	-
Unwinding of discount	2,042	3,040	-	-
Effects of exchange rate changes on cash and cash equivalents.	(4,107)	(783)	-	-
Net fair value gains/(losses) on investment properties	(1,627,369)	(72,893)	(118,399)	179,784
Reclassification of investment from JV to Joint Operation (Note 17.2)	1,535,865	-	-	-
Impairment of UPDC Hotel's PPE (Note 6(ii))	-	473,000	-	-
Profit on sale of tangible PPE	(352,297)	(170,053)	(3,083)	-
Loss on sale of tangible PPE	450	6,120	-	1,465
Profit or loss on sale of Investment Properties	(767,372)	57,365	(35,000)	-
Operating cash flows before movements in working Capital	9,715,335	10,888,283	(165,070)	(384,016)
Movements in working Capital:				
Inventories	(11,476,325)	2,526,871	2,005	(1,246)
Trade and other receivables	(530,648)	1,361,688	(1,067,491)	(757,510)
Trade and other payables	3,725,180	(365,575)	819,705	1,301,995
Provisions	13,279	1,535	14,734	2,076
Net cash from/(used in) operations	1,446,821	14,412,801	(396,117)	161,299

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

31. Related Party Transactions

The Company

The company's related parties consist of companies in whom the Company has shareholding and similar interests (it's Subsidiaries, Associates & Joint Venture Partners), the key Management personnel of the company and their close family members and all other entities that are directly or indirectly controlled by the company.

The following transactions were carried out with the Subsidiaries:

(a) Sales of Goods and Services

The Company has commercial service agreements with its Subsidiaries for support services. Income from commercial services fees(representing 0.75-1% of revenue of the Subsidiaries) is **₦690 million** (2015: **₦630 million**).

This has been included in the revenue of the Company.

	Company	
	2016 ₦'000	2015 ₦'000
UACN Property Development Co. PLC	29,203	40,267
Grand Cereals Limited	271,234	229,608
Chemical & Allied Products PLC	68,140	70,631
Warm Spring Waters Nigeria Limited	4,965	6,253
UAC Foods Limited	157,566	145,502
UNICO CPFA Limited	1,620	1,810
MDS Logistics Limited	27,235	24,272
Portland Paints & Products PLC	19,560	21,685
Livestock Feeds PLC	110,672	89,633
UAC Restaurants Limited	-	-
	690,195	629,660

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



(b) Period-end net balances arising from sales/purchases of goods/services with subsidiaries

	Company	
	2016 N'000	2015 N'000
Receivable:		
UACN Property Development Co. PLC	3,920,044	1,996,424
Chemical & Allied Products PLC	4,969	7,202
Grand Cereals Limited	3,124,939	3,895,941
Warm Spring Waters Nigeria Limited	14,059	881
UNICO CPFA Limited	5,908	6,863
UAC Restaurants Limited	48,074	45,140
Portland Paints PLC	491,702	425,685
Livestock Feeds PLC	1,382,431	1,214,985
MDS Logistics PLC	35,096	44,222
UAC Foods Limited	139,916	155,106
	9,167,137	7,792,449

All trading balances will be settled in cash.

There were no provisions for doubtful related party receivables as at 31 December 2016 (2015: nil) and no charges to the profit or loss in respect of doubtful related party receivables.

(c) Key Management Personnel

Total transactions with key management personnel amounted to nil during the year (2015: ₦2.9 million).

Intra-group and other related party transactions are carried out at normal commercial terms and conditions.

32. Capital commitments and contingent liabilities

	The Group		The Company	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
Capital expenditure authorised	13,905,512	12,604,472	122,260	290,700
Capital expenditure authorised & contracted	5,536,727	6,060,854	33,620	131,664

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

"In 2006, UPDC acquired a parcel of land in Ikoyi from Wema Bank. The property was originally owned by the Federal Ministry of Works and Housing (FMWH). Subsequently, Parkview Estate was developed on the property at a carrying value of ₦1.5billion.

However, County & City Bricks Limited (CCBL) had taken the Federal Government and UPDC to court claiming that the land was leased to it in 1998 and therefore any subsequent dealing on the portion of land adverse to its interest is null and of no effect.

Judgment was delivered in June 2009 to the effect that there was indeed a contract between the FMWH and CCBL which the Ministry breached and that they were entitled to the parcel of land (including the UPDC acquired area). The court further declared that the certificates of UPDC and other parties to the suits were null and void. CCBL, with the help of police officers, but without a writ of execution from the Court and any bailiff of Court, forcefully took over the premises and ejected UPDC's contractors and workers therefrom.

UPDC has appealed the judgment. The lawyer's opine that UPDC has a high chance of succeeding in its appeal because of inconsistencies in the judgment of the High Court and that the company is a bonafide purchaser of value without notice of any encumbrance on the property before acquiring a legal title.

Steve Akhigbemidu & Co. (Estate Surveyors & Valuers) assessed and valued the property in 2014 - fair market: ₦1.8billion, forced sale: ₦1.2billion, following which the directors wrote down the property to its forced sale value of ₦1.2 billion.

The Directors have written down the property to its forced sale value of ₦1.2 billion.

In an event the company loses the case the carrying value of the property in its books is ₦1.2 billion.

There were other litigations as at the reporting date in the ordinary course of business which involved land acquisition, contractual claims and recovery of overdue rents and service charges. In the opinion of the Directors, no material loss is expected to arise from these. However, those evaluated to likely result in loss were provided for.

33. Technical Support Agreements

a) A Subsidiary (CAP PLC) has a royalty agreement with AkzoNobel, United Kingdom in respect of paints produced and sold by the Subsidiary. Amount charged for the period (representing 3% of turnover of Dulux Brand) is **₦116.55 million** (2015: **₦101.36 million**)

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

34. Disposal Group Previously Held for Sale now Reclassified as Continuing Operations

In 2013, management decided to dispose of its equity holding in Warm Spring Waters Nigeria Limited. The entity was classified as a disposal group held for sale as it was available for sale in its then condition and a sale was probable. However, during the course of the year, Management considered prevailing market conditions among other factors and opted instead to retain its holding in the company. The entity has therefore being consolidated in the books for the 2016 financial year in full compliance with the requirements of IFRS 5.

The comparative consolidated statements of profit or loss and financial position have been represented to show Warm Spring Waters Nigeria Limited as part of continuing operations

34(a). Reconciliation of previously published statement of profit or loss:

	IFRS previously reported N'000	2015 Discontinued operations N'000	IFRS represented N'000
Continuing operations			
Revenue	73,145,987	625,257	73,771,244
Cost of sales	(56,580,958)	(381,655)	(56,962,613)
Gross profit	16,565,029	243,602	16,808,631
Other operating income	1,959,361	9,380	1,968,741
Selling and distribution expenses	(3,318,702)	(144,721)	(3,463,423)
Administrative expenses	(6,881,927)	(320,665)	(7,202,592)
Other operating losses	(716,268)	-	(716,268)
Operating profit	7,607,493	(212,404)	7,395,089
Finance income	1,566,466	1,637	1,568,103
Finance cost	(3,017,576)	-	(3,017,576)
Net finance (cost) / income	(1,451,110)	1,637	(1,449,473)
Share of profit/loss of associates and joint venture using the equity method	1,787,461	-	1,787,461
Profit before tax	7,943,844	(210,767)	7,733,077
Income Tax Expense	(2,796,891)	226,552	(2,570,339)
Profit after tax for the period from continuing operations	5,146,953	15,785	5,162,738
Discontinued operations			
Profit after tax for the period from discontinued operation	37,718	(37,718)	-
Profit for the year	5,184,671	(21,933)	5,162,738

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

	IFRS previously reported ₦'000	2015 Discontinued operations ₦'000	IFRS represented ₦'000
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Net changes in fair value of available-for-sale financial assets	(3,004)	-	(3,004)
Tax on other comprehensive income	-	-	-
Other comprehensive income for the period net of tax	(3,004)	-	(3,004)
Total comprehensive income for the period net of tax	5,181,667	(21,933)	5,159,734
Profit attributable to:			
Equity holders of the parent	2,996,779	(13,285)	2,983,494
Non controlling interests	2,187,892	(8,648)	2,179,245
Total	5,184,671	(21,933)	5,162,738
Total comprehensive income attributable to:			
Equity holders of the parent	2,995,247	(13,465)	2,981,781
Non controlling interests	2,186,420	(8,467)	2,177,953
Total	5,181,667	(21,933)	5,159,734
Earnings per share attributable to owners of the parent during the period (expressed in Naira per share):			
Basic Earnings Per Share			
From continuing operations	154		155
From discontinued operations	2		-
From profit for the year	156		155
Diluted Earnings Per Share			
From continuing operations	154		155
From discontinued operations	2		-
From profit for the year	156		155

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



34 (b). Reconciliation of Previously Published Statement of Financial Position:

	2015			2014		
	IFRS previously reported N'000	Discontinued operations N'000	IFRS represented N'000	IFRS previously reported N'000	Discontinued operations N'000	IFRS represented N'000
Assets						
Non-current assets						
Property, plant and equipment	35,439,239	660,798	36,100,036	36,612,882	675,501	37,288,383
Intangible assets and goodwill	1,862,646	-	1,862,646	1,842,452	-	1,842,452
Investment property	20,035,327	-	20,035,327	19,924,421	-	19,924,421
Investments in associates and JVs	21,207,867	(10,000)	21,197,867	19,100,575	(10,000)	19,090,575
Available-for-sale financial assets	9,308	10,000	19,308	12,312	10,000	22,312
Prepayment	10,789	-	10,789	25,032	-	25,032
Deferred tax asset	203,290	28,362	231,652	202,610	-	202,610
	78,768,466	689,159	79,457,625	77,720,285	675,501	78,395,786
Current assets						
Inventories	25,283,076	45,791	25,328,868	27,766,675	89,063	27,855,738
Trade and other receivables	14,593,840	62,597	14,656,437	15,950,023	51,061	16,001,084
Cash and Cash equivalents (excluding bank overdrafts)	9,183,402	28,997	9,212,399	7,956,717	151,336	8,108,053
	49,060,318	137,385	49,197,703	51,673,415	291,460	51,964,875
Assets of disposal group classified as held for sale	826,544	(826,544)	-	966,961	(966,961)	-
Total assets	128,655,328	-	128,655,328	130,360,660	-	130,360,660
Equity and Liabilities						
Ordinary share capital	960,432	-	960,432	960,432	-	960,432
Share premium	3,934,536	-	3,934,536	3,934,536	-	3,934,536
Contingency reserve	28,575	-	28,575	28,575	-	28,575
Available-for-sale reserve	(5,504)	-	(5,504)	(3,792)	-	(3,792)
Retained earnings	39,670,420	-	39,670,420	40,048,438	-	40,048,438
Equity attributable to:						
Equity holders of the Company	44,588,460	-	44,588,460	44,968,190	-	44,968,190
Non controlling interests	29,553,564	-	29,553,564	30,109,541	-	30,109,541
Total equity	74,142,024	-	74,142,024	75,077,731	-	75,077,731

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

	2015			2014		
	IFRS previously reported ₹'000	Discontinued operations ₹'000	IFRS represented ₹'000	IFRS previously reported ₹'000	Discontinued operations ₹'000	IFRS represented ₹'000
Non-current liabilities						
Borrowings	8,093,404	-	8,093,404	7,680,773	-	7,680,773
Deferred tax liabilities	5,048,083	-	5,048,083	5,558,941	9,668	5,568,609
Government grant	32,240	-	32,240	56,633	-	56,633
Deferred revenue	15,751	-	15,751	214,085	-	214,085
Provisions	73,578	-	73,578	74,118	-	74,118
	13,263,055	-	13,263,055	13,584,550	9,668	13,594,219
Current liabilities						
Trade and other payables	14,941,483	909,403	15,850,886	13,961,492	605,187	14,566,679
Current income tax liabilities	4,735,542	14,279	4,749,821	4,477,945	3,390	4,481,335
Bank O/D & current portion of borrowings	17,294,027	-	17,294,027	20,476,607	-	20,476,607
Dividend payable	3,574,696	(815,085)	2,759,611	2,379,061	(446,810)	1,932,251
Government grant	228,521	-	228,521	81,132	-	81,132
Deferred revenue	307,361	-	307,361	92,759	-	92,759
Provisions	60,023	-	60,023	57,947	-	57,947
	41,141,653	108,597	41,250,250	41,526,944	161,767	41,688,711
Liabilities of disposal group classified as held for sale	108,597	(108,597)	-	171,435	(171,435)	
Total liabilities	54,513,304	-	54,513,304	55,282,929	-	55,282,929
Total equity and liabilities	128,655,328	-	128,655,328	130,360,660	-	130,360,660

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

35. Disclosure of Interests in Other Entities

35.1 Composition of the Group

UAC of Nigeria PLC is a diversified conglomerate with interests in four primary verticals - Food and Beverages (5 entities), Real Estate (1 entity), Paints (2 entities) and Logistics (1 entity). The Group comprises of a Corporate Centre (the Company) holding controlling interests in 10 entities, including a Closed Pension Fund Administrator.

35.2 Subsidiaries with Significant Non-Controlling Interests

UACN Property Development Company PLC (UPDC) - UPDC is a publicly quoted company whose principal place of business is in Lagos, Nigeria. The company is involved in the development, sale and facility management of commercial and residential properties in Nigeria. First Trustees, a subsidiary of First Bank of Nigeria PLC holds an 8% (2015: 8%) interest in the entity. The profit allocated to Non-Controlling Interest (NCI) for the year ended 31st December, 2016 is ₦13 million (2015: ₦1.94 billion) and total dividend paid amounts to ₦464 million (2015: ₦962.5 million). As at 31 December 2016, the accumulated NCI in the subsidiary was ₦19.2 billion (2015: ₦19.5 billion). UAC has a 46% (2015: 46%) equity interest in UPDC but has de facto control in the Subsidiary and therefore consolidates the entity in line with IFRS 10.

MDS Logistics Limited (MDS) - MDS Logistics Limited is a company which provides warehousing, distribution and redistribution services to clients in Nigeria. The company's principal place of business is Lagos, Nigeria. In 2013, UAC divested 49% of its 100% stake in the company to Imperial Mobility International BV ("Imperial"), thereby retaining 51%. Imperial held a 49% stake in the company as at 31 December 2016 (2015: 49%). The profit allocated to Non-Controlling Interest (NCI) for the year 2016 is ₦311 million (2015: ₦339 million). As at 31st December, 2016, the accumulated NCI in the subsidiary was ₦2.65 billion (2015: ₦2.4 billion) and dividend was paid.

UAC Restaurants Limited (UACR) - UAC Restaurants Limited is a Quick Service Restaurant Company that operates through the Mr Biggs' Chain of Restaurants, using the franchise model. The Company's principal place of business is Lagos, Nigeria. In 2013, UAC divested 49% of its 100% stake in the company to Famous Brands, thereby retaining 51%. Famous Brands held a 49% stake in the company as at 31st December, 2016. The loss allocated to Non-Controlling Interest (NCI) for the year 2015 is ₦13.5 million (2015: Loss of ₦65 million) and no dividend was paid. As at 31st December, 2016, the accumulated NCI in the subsidiary was ₦198 million (2015: ₦212 million).

UAC Foods Limited (UFL) - UAC Foods Limited is a company involved in the manufacture of packaged snacks, fruit juice, ice-cream and bottled spring water. The company's principal place of business is Lagos, Nigeria. In 2011, UAC divested 49% of its 100% stake in the company to Tiger Brands, thereby retaining 51%. Tiger Brands held a 49% stake in the company as at 31st December, 2016 (2015: 49%). The profit allocated to Non-Controlling Interest (NCI) for the year 2016 is ₦386 million (2015: ₦230m) and total dividend paid amounts to ₦1 billion (2015: ₦1 billion). As at 31st December, 2016, the accumulated NCI in the subsidiary was ₦2.45 billion (2015: ₦2.45 billion).

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Summarised financial information	MDS N'000	UPDC N'000	UACR N'000	UFL N'000
Non-current assets	3,714,024	48,658,247	564,871	4,006,720
Current assets	3,797,891	22,245,490	539,949	5,101,880
Current liabilities	1,538,941	32,802,486	679,453	2,783,154
Non-current liabilities	527,741	4,077,137	22,123	783,584
Revenue	5,340,283	6,344,822	1,181,762	15,756,629
Profit before tax	1,677,503	(1,783,124)	(27,619)	1,135,366
Total comprehensive income	1,213,300	(1,550,055)	(28,527)	792,748

Acquisition of additional interest in Portland Paints & Products Nigeria PLC (Portland Paints)

In 2016, the company acquired additional 7.5% (30m shares) of the issued shares of Portland Paints for a purchase consideration of ₦118.82 million. The group now holds 72.2% of the equity share capital of Portland Paints. The carrying amount of the non-controlling interests in Portland Paints on the date of acquisition was ₦251.02 million. The group derecognised non-controlling interests of ₦251.02m and recorded a decrease in equity attributable to non-controlling interest of ₦132.2 million.

The effect of changes in the ownership interest of UACN Group on the equity attributable to owners of the company during the year is summarised as follows:

	N'000
Carrying amount of non-controlling interests at acquisition date	251,020
Consideration paid to non-controlling interests	(118,820)
Value of NCI recognised in parent's total equity	132,200

36. Fair Value Measurements

Fair Value of Investment Property

An independent valuation of the group's investment property was performed by valuers to determine the fair value of investment properties as at 31st December, 2015. The gain on fair valuation was credited to profit or loss and is shown in "other operating income" (Note 6). The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The valuation of investment property results in a level 3 fair value

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



Valuation techniques used to derive level 3 fair values

Investment Property

Level 3 fair values for investment property has been derived using the open market value. To obtain the open market value, the following were considered, a willing buyer, a willing seller, the property is freely exposed to the market, a reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market. The open market value methodology falls within the "market approach" as stipulated by IFRS 13.

Fair value measurements as at 31st December 2016 using:

	Quoted prices in active markets for identical assets (Level 1) R'000	Significant other observable inputs (Level 2) R'000	Significant unobservable inputs (Level 3) R'000
Recurring fair value measurements			
Investment Property			
UAC Company	-	-	3,032,200
UPDC	-	-	16,838,034
Group			19,870,234

Available for sale financial assets

Livestock Feeds PLC investment in financial assets for sale	19,197	-	-
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Fair value measurements as at 31st December 2015 using:

	Quoted prices in active markets for identical assets (Level 1) R'000	Significant other observable inputs (Level 2) R'000	Significant unobservable inputs (Level 3) R'000
Recurring fair value measurements			
Investment Property			
UAC Company	-	-	2,984,600
UPDC	-	-	17,050,727
Group			20,035,327

Available-for-sale financial assets

Livestock Feeds PLC investment in financial assets for sale	19,308	-	-
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Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016

Valuation techniques used to derive level 3 fair values

	2016	
	Investment Property (Company) ₦'000	Investment Property (Group) ₦'000
Opening balance	2,984,600	20,035,327
Additions	4,201	19,743
Reclassifications	-	312,845
Disposals	(75,000)	(2,125,050)
Gains recognised in profit or loss	118,399	1,627,369
Closing Balance	3,032,200	19,870,234

Valuation techniques used to derive level 3 fair values

	2015	
	Investment Property (Company) ₦'000	Investment Property (Group) ₦'000
Opening balance	3,198,600	19,924,422
Additions	784	54,377
Reclassifications	-	260,000
Disposals	(35,000)	(276,365)
Gains recognised in profit or loss	(179,784)	72,893
Closing Balance	2,984,600	20,035,327

Valuation Process for the Group

On an annual basis, the group engages external, qualified valuers to determine the fair value of the group's investment properties, using level 3 inputs. The firm of Messrs Steve Akhigbemidu & Co carried out the valuation exercise of investment properties as at 31st December, 2016.

The external valuations of the level 3 investment properties have been performed using the Open Market Approach. The External Valuers have determined these inputs based on the size, age, condition of the land and buildings, willing buyer, willing seller, the state of the local economy and a reasonable period within which to negotiate sale, taking into account the nature of the property and state of the market.

Notes to the Consolidated and Separate Financial Statements for the year ended 31st December 2016



Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 31 December 2016 N'000	Fair value as at 31 December 2015 N'000	Valuation Technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Investment Property - UAC Company	3,032,200	2,984,600	Market Approach	The price range used per square metre is N20,000 -N75,000 which is determined by demand and availability of property of that quality in that location	The higher the estimated price per square meter, the higher the value
Investment Property - UPDC	16,838,034	17,050,727	Market Approach	The price range used per square metre is N20,000 -N85,000 which is determined by demand and availability of property of that quality in that location	The higher the estimated price per square meter, the higher the value

37. Subsequent events

There were no material events subsequent to the balance sheet date that has not been accounted for or disclosed in these financial statements

Group Five-Year Financial Summary

Naira millions	2012	2013	2014	2015	2016
Funds Employed					
Equity attributable to equity holders of the Company	37,026	42,898	44,965	44,588	46,418
Non-controlling interest	23,575	29,340	30,110	29,554	30,047
Creditors due after one year	18,470	11,562	13,296	13,174	10,067
Provisions	35	26	132	134	22
	79,106	83,825	88,503	87,449	86,555
Employment of funds					
Property, plant and equipment	68,954	57,420	59,305	58,260	56,995
Long term investments	307	17,991	19,091	21,198	19,696
Net current assets	9,845	6,701	10,276	7,947	9,877
	79,106	82,112	88,672	87,405	86,569
Capital expenditure	5,161	8,348	3,029	1,809	1,839
Depreciation	1,770	3,077	2,629	2,495	2,611
Results					
Turnover	69,632	78,714	85,654	73,771	84,607
Profit from operations	11,526	15,192	12,394	7,395	8,072
Share of profit of associated companies	-	-	2,979	1,787	1,090
Taxation	(3,642)	(4,062)	(3,370)	(2,570)	(2,108)
Profit after tax and non-controlling interest	4,111	5,582	6,532	2,983	3,751
Dividend - proposed	(2,561)	(3,362)	(3,362)	(1,921)	(1,921)
Profit for the year retained	1,550	3,159	3,171	(378)	1,830
Share prices : High (kobo)	3,450	7,110	7,120	4,274	2,200
Low (kobo)	2,800	4,200	3,400	1,875	1,681
Market Capitalisation (period-end)	67,230	128,698	65,309	36,016	32,290
Dividend per share (kobo)	160	175	175	100	100
Dividend per share (kobo) - adjusted	160	175	175	100	100
Earnings per share (kobo)	257	291	340	155	195
Earnings per share (kobo) - adjusted	214	291	340	155	195
Net assets per share (kobo)	3,786	3,713	3,876	3,860	3,981
Dividend cover (times)	1.6	1.7	1.9	1.6	2

Statement of Value Added

For the year ended 31st December 2016

	Group				Company			
	2016 ₦Million	%	2015 ₦Million	%	2016 ₦Million	%	2015 ₦Million	%
Turnover	84,607		73,771		912		821	
Share of associated companies' profits	1,090		1,787		-		-	
Interest received & other income	5,444		3,537		1,761		1,821	
Cost of materials and services:								
Imported	(374)		(369)		-		-	
Local	(69,707)		(58,099)		1,151		2,422	
Value Added	21,059	100	20,628	100	3,824	100	5,064	100
Applied as follows:								
To pay employees								
Salaries, wages and other benefits	7,725	37	7,385	36	604	16	706	14
To pay government								
Taxes	2,108	10	2,570	12	387	10	659	13
To pay providers of Capital								
Interest charges	2,949	14	3,018	15	-	-	-	-
To pay shareholders								
Dividend	1,921	9	3,362	16	1,921	50	3,362	66
Retained for replacement of assets and business growth:								
Depreciation and Amortisation	2,611	12	2,495	12	206	5	195	4
Non-controlling interest	1,916	9	2,178	11	-	-	-	-
Future Investment	1,830	9	(380)	(2)	706	18	142	3
	21,059	100	20,628	100	3,824	100	5,064	100

Value added represents the additional wealth which the group has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creations of more wealth.



Shareholders' Information

According to the Register of Members, one shareholder Stanbic Nominees Limited held 9.36% of the issued share Capital of the Company as at 31st December, 2016. No other Shareholder holds more than 5% shares in the Company.

RANGE ANALYSIS

Range		No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	- 500	33,729	18%	33,729	9,439,086	0%	9,439,086
501	- 1,000	23,855	13%	57,584	17,624,534	1%	27,063,620
1,001	- 5,000	106,203	57%	163,787	260,144,197	14%	287,207,817
5,001	- 50,000	19,704	11%	183,491	220,614,565	11%	507,822,382
50,001	- 100,000	774	0%	184,265	55,058,996	3%	562,881,378
100,001	- 500,000	602	0%	184,867	123,551,469	6%	686,432,847
500,001	- 1,000,000	98	0%	184,965	74,621,874	4%	761,054,721
1,000,001	- 10,000,000	103	0%	185,068	304,143,060	16%	1,065,197,781
10,000,001	- 1,000,000,000	20	0%	185,088	855,666,605	45%	1,920,864,386
Grand Total		185,088	100%		1,920,864,386	100%	



Unclaimed Dividends and Share Certificate

Since becoming a public company in 1974, the company has declared dividends and issued a number of scrip issues.

Currently, our unclaimed dividend accounts indicate that some dividend warrants have been returned to the Registrars as unclaimed either because the addresses could not be traced or because the affected shareholders no longer live at the addresses.

Affected shareholders are please requested to contact the registrars to update their records and furnish their bank and stockbroker details for e-mandate.

The Registrar
Africa Prudential Registrars PLC
220B Ikorodu Road, Palmgroove, Lagos
Telephone 01-8931501
E-mail: info@afriaprudentialregistrars.com

The dividends are set out below:

DIVIDENDS	DATE DECLARED		Year	AMOUNT UNCLAIMED	
	Month	Day		2015 N'000	2014 N'000
40	June	16	2006	32	36
41	June	22	2007	2,547	2,858
42	December	3	2007	51,696	57,660
43	June	4	2008	24	28
44	June	23	2009	3,912	4,487
45	June	23	2010	464	532
46	June	15	2011	225,864	247,953
47	June	21	2012	223,738	248,849
48	June	27	2013	214,892	241,116
49	June	26	2014	806,124	826,485
50	Sept	24	2015	969,764	1,007,910
51	June	9	2016	547,983	

Movement in Share Capital

Date	Authorised Capital		Issued and fully paid Capital		Consideration
	From ₦'000	To ₦'000	From ₦'000	To ₦'000	
30/9/1976	26,000	40,000	23,760	39,600	Scrip issue (2 for 3)
23/9/1977	40,000	80,000	39,600	79,200	Scrip issue (1 for 1)
30/9/1978	80,000	100,000	79,200	99,000	Scrip issue (1 for 4)
30/9/1990	100,000	148,500	99,000	148,500	Scrip issue (1 for 2)
11/4/1990	148,500	163,350	148,500	163,350	Scrip issue (1 for 10)
16/9/1993	163,350	204,188	163,350	204,188	Scrip issue (1 for 4)
5/4/1994	204,188	204,188	204,188	161,308	Capital reduction
15/2/1995	204,188	204,188	161,308	181,727	Offer for subscription
3/7/1996	204,188	300,000	181,727	227,159	Scrip issue (1 for 4)
9/8/2000	300,000	300,000	227,159	454,318	Scrip issue (1 for 1)
27/10/2004	500,000	1,000,000	454,318	640,288	Scrip issue (1 for 4)
21/5/2010	1,000,000	1,000,000	640,288	800,360	Scrip issue (1 for 4)
24/5/2013	1,000,000	1,700,000	800,360	960,432	Scrip issue (1 for 5)



e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

* = Compulsory fields

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. SPOUSE' NAME:

5. *MOTHER'S MAIDEN NAME:

6. *E-MAIL:

7. ALTERNATE E-MAIL:

8. *MOBILE No.: 9. SEX: MALE ☐ FEMALE ☐

10. PHONE No. (HOME):

11. *POSTAL ADDRESS:

12. CSCS CLEARING HOUSE No.:

13. NAME OF STOCKBROKER: 14. OCCUPATION:

15. NATIONALITY:

16. NEXT OF KIN:

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: Signature:
for joint/corporate accounts only

DISCLAIMER

"In no event shall Africa Prudential Registrars be liable for any damages, losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advise us of the possibility of such damages, losses or expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholding

Company Name	Shareholding
1. AFRICA PRUDENTIAL REGISTRARS PLC	<input type="checkbox"/>
2. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. ALLRADIO PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. AXEL LIFE PLC	<input type="checkbox"/>
7. AGRIMARIA STATE GOVERNMENT BOND	<input type="checkbox"/>
8. WECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPPA AND DIALBERTO PLC	<input type="checkbox"/>
13. CEMENT CO. OF NORTHERN NG. PLC	<input type="checkbox"/>
14. CICS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CIBS PLC	<input type="checkbox"/>
17. COMBIVA MONEY MARKET FUND	<input type="checkbox"/>
18. EDO STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. RHINOTRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INTERNATIONAL BREWERIES PLC	<input type="checkbox"/>
22. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
23. JAZZ BANK PLC	<input type="checkbox"/>
24. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
25. LASOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
26. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
27. NORTH REAL ESTATE PLC	<input type="checkbox"/>
28. NEXANS KABLES/ETH. NG. PLC	<input type="checkbox"/>
29. OMOODUN MORTGAGE BANK PLC	<input type="checkbox"/>
30. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
31. P.S. MANORDES PLC	<input type="checkbox"/>
32. PORTLAND PAINTS & PRODUCTS NG. PLC	<input type="checkbox"/>
33. PRIMER BREWERIES PLC	<input type="checkbox"/>
34. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
35. ROAD NIGERIA PLC	<input type="checkbox"/>
36. SOGA NIGERIA PLC	<input type="checkbox"/>
37. TRANSCORP HOTELS PLC	<input type="checkbox"/>
38. TRANSCORP PLC	<input type="checkbox"/>
39. TOWER BOND	<input type="checkbox"/>
40. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
41. UACH PLC	<input type="checkbox"/>
42. USA BALANCED FUND	<input type="checkbox"/>
43. USA BOND FUND	<input type="checkbox"/>
44. USA EQUITY FUND	<input type="checkbox"/>
45. USA MONEY MARKET FUND	<input type="checkbox"/>
46. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
47. UNITED CAPITAL PLC	<input type="checkbox"/>
48. UNIC INSURANCE PLC	<input type="checkbox"/>
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
50. UTC NIGERIA PLC	<input type="checkbox"/>
51. WEST AFRICAN GLASS IND. PLC	<input type="checkbox"/>

OTHERS: 



E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below

The Registrar

Africa Prudential Registrars Plc
2208, Ikoyi Road, Palmgrove, Lagos

(We hereby request that mandate, of my/our Dividend Payment(s) due to minus from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below)

Bank Verification Number (BVN)

Bank Name:

Bank Account Number:

Account Opening Date:

SHAREHOLDER ACCOUNT INFORMATION

Surname/Company's Name First Name Other Name

Address

City State Country

Previous Address (if any)

Clearing House Number (CHN) (if any)

C

Name of Stockholding Firm

Mobile Telephone 1

Mobile Telephone 2

Email Address

Signature:

Signature:

print/Carve on Signature

Company Seal (if available)

DISCLAIMER

We warrant that the information provided by you is true and correct. We do not warrant that the information provided by you is true and correct. We do not warrant that the information provided by you is true and correct. We do not warrant that the information provided by you is true and correct.

Please tick against the company(ies) where you have shareholding

CLIENT'S	A/C No.
1. AFRICA PRUDENTIAL REGISTRARS PLC	
2. ABBEY MORTGAGE BANK PLC	
3. AFRI AND PROPERTIES PLC	
4. ALUMACO PLC	
5. A & S INSURANCE PLC	
6. AXIUM LIFE PLC	
7. AZIMAWA STATE GOVERNMENT BOND	
8. BECO PETROLEUM PRODUCTS PLC	
9. BUA GROUP	
10. BUA STATE GOVERNMENT BOND	
11. CAP PLC	
12. CAPW AND OALBERTO PLC	
13. CEMENT COY OF NORTHERN NIG. PLC	
14. CSCS PLC	
15. CHAMPION BREWERS PLC	
16. CWG PLC	
17. CORDON MONEY MARKET FUND	
18. ESONY STATE GOVERNMENT BOND	
19. GOLDEN CAPITAL PLC	
20. INFINITY TRUST MORTGAGE BANK PLC	
21. INTERNATIONAL BREWERS PLC	
22. INVESTMENT & ALLIED ASSURANCE PLC	
23. JAC BANK PLC	
24. KADUNA STATE GOVERNMENT BOND	
25. LAGOS BUILDING INVESTMENT CO. PLC	
26. MED-VEW AIRLINE PLC	
27. NIXTA REAL ESTATE PLC <i>(formerly Nixta Real Estate)</i>	
28. NEXANS KADUNA TAILING PLC	
29. OMOLUJAN MORTGAGE BANK PLC	
30. PERSONAL TRUST & SAVINGS LTD	
31. P.S. MANONIGEN PLC	
32. PORTLAND HUNTS & PRODUCTS NIG. PLC	
33. PRINCE BREWERS PLC	
34. RESORT SAVINGS & LOANS PLC	
35. ROAD NIGERIA PLC	
36. SCOA NIGERIA PLC	
37. TRANSNIP HOTELS PLC	
38. TRANSNIP PLC	
39. TOWER BOND	
40. THE LA CASERA CORPORATE BOND	
41. UACN PLC	
42. UBA BALANCED FUND	
43. UBA BOND FUND	
44. UBA EQUITY FUND	
45. UBA MONEY MARKET FUND	
46. UNITED BANK FOR AFRICA PLC	
47. UNITED CAPITAL PLC	
48. UNIC INSURANCE PLC	
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	
50. UTC NIGERIA PLC	
51. WEST AFRICAN GLASS IND. PLC	

OTHERS:





E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW * * * COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER ☐ M ☐ F 5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS (if any)

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN)

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

SIGNATURE SIGNATURE

for all corporate accounts only

DISCLAIMER

"In no event shall Africa Prudential Registrars be liable for any damages, losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advise us of the possibility of such damages, losses or expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholding

CLIENTELE	A/C No.
1. AFRICA PRUDENTIAL REGISTRARS PLC	
2. ASSEY MORTGAGE BANK PLC	
3. ARIELAND PROPERTIES PLC	
4. ALUMACO PLC	
5. A & G INSURANCE PLC	
6. A.R.M LIFE PLC	
7. ADAMAWA STATE GOVERNMENT BOND	
8. BOCO PETROLEUM PRODUCTS PLC	
9. BUA GROUP	
10. BENUE STATE GOVERNMENT BOND	
11. CAP PLC	
12. CAPPA AND OALBERTO PLC	
13. CEMENT COY. OF NORTHERN NIG. PLC	
14. CSCS PLC	
15. CHANGARON BREWERIES PLC	
16. CWG PLC	
17. CORDON MONEY MARKET FUNDS	
18. EBONYI STATE GOVERNMENT BOND	
19. GOLDEN CAPITAL PLC	
20. INFINITY TRUST MORTGAGE BANK PLC	
21. INTERNATIONAL BREWERIES PLC	
22. INVESTMENT & ALLIED ASSURANCE PLC	
23. IZIZ BANK PLC	
24. KADUNA STATE GOVERNMENT BOND	
25. LAGOI BUILDING INVESTMENT CO. PLC	
26. MMD-VIEW AIRLINE PLC	
27. MYKA REAL ESTATE PLC (formerly M&K Registrars Ltd)	
28. NEXUS KALZEMETAL NIG. PLC	
29. OMOLUABI MORTGAGE BANK PLC	
30. PERSONAL TRUST & SAVINGS LTD	
31. P.S. MANDIRIDES PLC	
32. PORTLAND CEMENT & PRODUCTS NIG. PLC	
33. PREMIER BREWERIES PLC	
34. RESORT SAVINGS & LOANS PLC	
35. ROAD NIGERIA PLC	
36. SCOA NIGERIA PLC	
37. TRANSCORP HOTELS PLC	
38. TRANSCORP PLC	
39. TUNER BOND	
40. THE LA CASERA CORPORATE BOND	
41. UACB PLC	
42. UBA BALANCED FUND	
43. UBA BOND FUND	
44. UBA EQUITY FUND	
45. UBA MONEY MARKET FUNDS	
46. UNITED BANK FOR AFRICA PLC	
47. UNITED CAPITAL PLC	
48. UNIC INSURANCE PLC	
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	
50. UTC NIGERIA PLC	
51. WEST AFRICAN GLASS IND. PLC	

OTHERS:

HEAD OFFICE: 1278, Ikoyi Road, Femi Adekunle (Jagun) Road, Lagos. Tel: 01-2900443

ABUJA BRANCH: (2nd Floor) 11, Kaituma Road, Maitama, Off Fashola (Disraeli) Road, Abuja. Tel: 09-2900443

PORT HARCOURE: Plot 137, Off Obafemi Road (2nd Floor). Tel: 084-503457

E-MAIL: info@capadomainsign.com | WEBSITE: www.capadomainsign.com[facebook.com/capadomainsign](https://www.facebook.com/capadomainsign)

@whitecityAFRPLC



+1 capadomainsign



FULL DEMATERIALIZATION FORM FOR MIGRATION

REGISTRATION NUMBER: 102474 (CIPC) (ETBEE) Section 8 is completed by the Fundholder/Investor/Shareholder, not by dematerializer.

Please complete the Account of Dematerialization (AD) with care from the following:

or which might come under the jurisdiction of the dematerializer in the future company.

SECTION A:

SHAREHOLDER'S FULL NAMES

ADDRESS

GSM NUMBER

E-MAIL

CSCS INVESTOR'S A/C NO.

CLEARING HOUSE NUMBER (CHN)

C

REGISTRAR'S ID NO (RIN)

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME

BANK

BANK A/C NUMBER

ABN/IBAN

BVN

Must be confirmed by bank

AGE OF A/C

Must be confirmed by bank

Authorized Signature (1)
(once signed at [Post Office])

Authorized Signature (2)
(once signed at [Post Office])

Dematerializer's Signature & Date

Dematerializer's Signature & Stamp (2)
(if applicable)

Company Seal

CERTIFICATE DETAILS

S/N CERTIFICATE NO. (IF ANY)

UNITS

1.		
2.		
3.		

S/N CERTIFICATE NO. (IF ANY)

UNITS

4.		
5.		
6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request APF Plc to credit my account of Dematerialization (AD) with unit of shares not covered in my above certificate details (quoted in Section A above) the missing certificate(s) in my name, and the original share(s) certificate(s) have been misplaced, lost or destroyed or they have expired, I hereby, with the Registrar whose name has been stated above, indemnify the said Company and APF Plc against all claims and demands, money, costs, damages, costs and expenses which may be brought against, or be incurred or suffered by the said Company and APF Plc in respect of or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without production of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) and transfer be found to exist, I shall deliver up to APF Plc or their successor in duty without cost fee or reward.

CERTIFICATE DETAILS

S/N CERTIFICATE NO. (IF ANY)

UNITS

1.		
2.		
3.		

S/N CERTIFICATE NO. (IF ANY)

UNITS

4.		
5.		
6.		

Signed this _____ day of _____ 20____

Attest:

Signature

Stamp (2) (if applicable)

Stamp (2) (if applicable)

Company Seal

In the presence of:

Name

GSM NO

Signature

Address

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of:

I/We (I/We) hereby agree jointly and severally to keep the company and/or the Registrar and/or other persons acting on their behalf fully indemnified against all claims, proceedings, liabilities, costs, losses, damages, costs and expenses in relation to or arising out of or from the dematerialization of the said share(s) and to pay the full amount of all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom.

Authorized Signature (1)

Authorized Signature (2)

Company Seal

PROXY FORM

UAC OF NIGERIA PLC

Annual General Meeting to be held at 10.00 a.m. on Wednesday 14th June, 2017 at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos I/We

being a member/members of UAC OF NIGERIA PLC do hereby appoint

or failing him the Chairman of the Meeting as my/our proxy to vote for me/us on our behalf at the General Meeting of the Company to be held on Wednesday 14th June, 2017 and at every adjournment thereof

Date:

Shareholder's signature.....

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
	ORDINARY BUSINESS			
1	To declare a dividend			
2	To re-elect Mr. Babatunde Kasali as a Director			
3	To re-elect Mrs. Awuneba Ajumogobia as a Director			
4	To Authorize Directors to fix remuneration of the Auditors			
5	To elect members of the Audit Committee			
6	SPECIAL BUSINESS To authorize the Directors to raise up to ₦15.4billion (Fifteen Billion, Four Hundred Million Naira) under the Rights Issue, through issuance of ordinary shares on such other terms and conditions as they may deem fit or determine			
7	To fix remuneration of Directors			
8	To renew the general mandate authorizing the Company to enter into recurrent transactions of trading nature with related parties or Companies.			

NOTES

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to attend by proxy. The above form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked*) the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. Please sign the above proxy form and post it so as to reach the address shown over leaf not later than 5.00 p.m. on Wednesday 14th June, 2017. If executed by a corporation, the proxy form should be sealed with the Common Seal or signed.
4. The proxy must produce the Admission form sent with the Report and Accounts to obtain entrance to the Meeting.
5. The proxy form should not be completed and sent to the address if the member will be attending the meeting in person.

IF YOU ARE UNABLE TO ATTEND, PLEASE

- (a) Write the name of your proxy (if any) where marked.*
- (b) Ensure that the form is signed by you and stamped with COMMISSIONER OF STAMP DUTIES.
- (c) Tear the proxy form along the perforated lines and post so as to reach the address shown overleaf not later than 48 hours before the time of holding the meeting.

Please indicate your wish by placing 'X' in the appropriate square
Put the 'X' beside the motion before meeting and not any of the others

Signature of member/proxy
Dated this day of 2017.

ADMISSION FORM
UAC OF NIGERIA PLC
Annual General Meeting Admission Card
Please admit

to the Annual General Meeting of UAC OF NIGERIA PLC which will be held at Arthur Mbanefo Hall, Golden Tulip Festac, Amuwo-Odofin, Lagos on Wednesday 14th June, 2017 at 10.00 a.m.

IMPORTANT NOTICE:

1. This admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
2. Shareholders or their proxies are requested to sign the admission card in the appropriate place before attending the Meeting

GODWIN A SAMUEL, ESQ
COMPANY SECRETARY/LEGAL ADVISER

UAC OF NIGERIA PLC
Annual General Meeting Admission Card

Name and Address of Shareholder

Signature of person attending
SHAREHOLDER.....
PROXY.....

PLEASE AFFIX
STAMP

The Registrar
Africa Prudential Registrars PLC
220B Ikorodu Road,
Palm Groove,
Lagos
Tel: 01-8931501
web: www.africaprudentialregistrars.com
email: info@africaprudentialregistrars.com



If undelivered, please return to
AFRICA PRUDENTIAL REGISTRARS PLC

220B Ikorodu Road,
Palmgroove,
Lagos
Tel: 01-8931501
web: www.africaprudentialregistrars.com
email: info@africaprudentialregistrars.com

Get Real *Mega* Enjoyment

- Bigger
- More Filling
- Pocket Friendly

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₹100
Only



...Keeps you going



...doing good

UAC of Nigeria PLC
UAC House, 1-5 Odunlami Street , P.O. Box 9, Lagos.
Tel: +234-1-7624331
Web: www.uacnplc.com, Email: info@uacnplc.com