The IN-Telligent Choice

United Capital

2015 Annual Report and Accounts

Investment Banking ▪ Asset Management ▪ Securities Trading ▪ Trustee Services

Maximize Your Investments with Our Mutual Funds

Our Mutual Funds are a reliable route to financial independence. Be on your way to financial freedom today, with a minimum initial investment of ₦10,000.

Give a gift that keeps on giving. Subscribe for yourself or a dependant today.

Features/Benefits of our Mutual Funds Account

- Make a minimum investment of ₦10,000 and multiples of ₦5,000 thereafter
- Enjoy easy entry and easy exit (open ended)
- Enjoy redemption by managers within 5 days
- Dividend paid is tax exempt
- Enjoy professional expertise from our Fund Managers

...and so much more

United Capital
Asset Management

Head Office:
United Capital Plc.
12th Floor, UBA House. 57,
Marina, Lagos, Nigeria.
+234-1-280-7596, +234-1-280-8919.
info@unitedcapitalplcgroup.com

Abuja Investment Centre:
United Capital Plc.
Plot 134, Ahmadu Bello way,
Garki 2 , FCT Abuja, Nigeria.
+234-9-6233039/41.
info@unitedcapitalplcgroup.com

Port-Harcourt Regional Office:
United Capital Plc.
1st Floor, UBA House, 14, Azikiwe Road,
Port-Harcourt, Nigeria.
+234-8-455-6577,+234-704-617-5444.
info@unitedcapitalplcgroup.com

@UnitedCap UnitedCapitalPlc UnitedCapitalPlc UnitedCapitalPlc

Table of Contents

Corporate Profile

OUR VISION
To be the leading financial and investment services Group in Africa.

OUR MISSION
To be the financial and investment role model across Africa, deploying innovation, technology, and specialist skills to exceed client expectations, whilst creating superior value for all stakeholders.

WHO WE ARE
United Capital Plc is a financial and investment services Group providing bespoke value-added service to its clients. We exist to empower Africans in the pursuit of their goals as individuals, companies and governments through superior financial services.

As a Group comprising of recognized industry leaders with over 50 years experience, we are well positioned to provide expert investment and financing solutions to optimize our clients returns on their investments. This is achieved through our robust suite of financial and investment service offerings within our four businesses: Investment Banking, Asset Management, Trusteeship, and Securities Trading.

United Capital Plc is a publicly quoted company listed on the Nigerian Stock Exchange and has a well-diversified shareholder base of about 280,000 investors as at 31st December 2015.

Investment Banking
Our Investment Banking business provides advisory services in Project Finance, Capital Markets, Mergers & Acquisitions and Structured Trade Finance.

It is revered for its track record in executing complex transactions across the African continent, particularly for its leadership in Debt Capital Markets and Project Finance advisory to both corporates and governments.

In 2015, the team led a number of landmark transactions, including: acting as financial adviser and leading issuing house for the ₦10bn Series 1 and ₦9.758bn Series 2 bonds respectively for Transcorp Hotels Plc and as Debt Adviser, Structuring Bank and Facility Agent for the $250m Crude Pre-Export Facility for Orion Oil.

Asset Management
United Capital Asset Management provides innovative and customized investment services to a diverse client base that includes; Corporate Institutions, Government and Agencies, High Net Worth Individuals and Retail Investors. The company is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as Investment Advisers, Portfolio and Asset Managers.

The firm's assets under management are in excess of ₦40 billion and our expertise consists of Portfolio/Fund Management, Mutual Funds, Wealth Management and Investment Advisory Services.

In 2015, United Capital Asset Management was appointed Joint Fund Manager with Lionshead UK to the USD $30m African Local Currency Bond of KfW (German government Pension Funds).

Securities Trading
United Capital Securities is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. Our Securities & Trading business provides access to primary market opportunities for listed equities (IPOs, Right Issues, Offer for Sale and Offer for Subscription) and Fixed Income Securities.

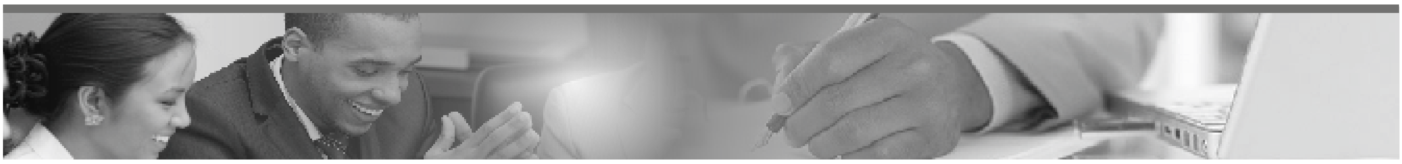
We are one of the few selected Supplemental Market Makers (SMM) and Designated Advisers by the Nigerian Stock Exchange. The firm is also a registered dealing member of NASD OTC Plc, enabling us to deal in over-the-counter Equity and Fixed Income Securities.

In 2015, United Capital Securities successfully completed the first direct trade between two West African countries (United Capital-Nigeria and Cal Brokers-Ghana) under Phase One of the WACMI programme designed to promote trade across member countries.

Trustees
United Capital Trustees is the leading Nigerian Trustee with over 50 years of experience in Trust services.

Our sole business is trusteeship and we play a key role in major financing transactions, charged with protecting the interests of lenders and investors, keeping custody of assets, documents, rights, shares, funds and other holdings in financial transactions. We possess quality depth and extensive experience in a wide range of money, capital market and real estate transactions, with Trust mandates in excess of ₦5.9 trillion and clear leadership across products: Debenture Trusts, Mutual Funds, Bonds, and REITS.

In 2015, Trustees was Trustee to 80% of Nigerian Debt Capital Market Issues in 2015.



2015 Performance Highlights

Gross Earnings	Net Operating Income	Profit After Tax
₦6.15billion	₦5.50billion	₦2.57 billion
Up 32% year on year	Up 39% year on year	Up 39% year on year
Total Assets	Funds Under Management	Shareholders' Fund
₦144.11billion	₦109.11billion	₦10.42billion
Up 51% year on year	Up 63% year on year	Up 15% year on year
Cost to Income Ratio	Earnings Per Share	Return on Average Equity
53%	43k	26%
2014: 53%	**2014:** 41kobo	**2014:** 21%

Chairman's Statement

CHIKA MORDI
Chairman

Fellow shareholders, it is with great delight that I present to you the financial results of United Capital Plc for the year 2015. Despite the challenging year nationwide, we have delivered a strong performance, exceeding that of the previous year.

We are optimistic that this will be sustained in 2016 notwithstanding the challenging macro-economic environment.

The Global Economy

According to the IMF, global growth reached 3.1% in 2015, driven by a modest and uneven recovery in the developed markets, while the growth picture for the emerging and developing economies was varied and challenging in many cases. Despite a slow start to the year which saw Q1 GDP grow by a tepid 0.6% after revisions, the US economy gradually picked up some pace, as job creation gained momentum and unemployment rate fell to 5.0% by the end of year amid low inflation levels. It was against this backdrop that the US Federal Reserve Bank raised benchmark interest rates by 0.25 percentage point in December 2015. After months of flirting with deflation, the Eurozone snapped out a recession in Q2-2015, spurred by the launch of its quantitative easing programme. Growth across the Atlantic remained strong in the second half of the year although deflationary concerns lingered into Q3-2015. Fears around Greece also dissipated, as the country finally reached a deal and signed an MOU with its creditors effectively putting an end to months of heightened market volatility. In Asia, while Japan maintained its monetary easing stance throughout the year amid persistent deflationary pressures, China surprisingly devalued its currency by lowering the remninbi's reference rate as it responded to slowing growth which cut across its major sectors. The growth scenario was further worsened by plummeting commodity prices as well as lower demand across geographies which weighed on its export income base. Overall, risks to global growth outlook remain tilted to the downside and we expect global monetary policy divergence to be the major theme in 2016, with implications for currencies, fiscal and trade balances of major developed and emerging market with commodity prices likely to remain subdued. In all, the global economic environment is likely to come under more intense pressure in 2016, with the probability of double dip recession.

Africa

For Sub-Saharan Africa (SSA), growth slowed considerably in 2015, as the impact of declining commodity prices and slow-down in global demand particularly in Asia, combined to halt momentum. Currencies came severely pressure leading to bouts of devaluation in countries such as Egypt and Angola, as governments sought to provide some cushion for worsening fiscal balances. Similar to 2015, we believe the economic fundamentals of the SSA economy as a group and individually, will continue to come under severe test in 2016 as a result of adverse global macroeconomic conditions. For the middle income SSA countries, close integration to international markets remains a potential risk to GDP growth, while resource rich low-income countries with high export concentration will likely see slightly more sever impacts as global demand remains fragile and commodity prices stay low. Furthermore, countries like Uganda, Zambia and Ghana will witness dramatic changes in their fiscal spending in 2016, typical of most SSA economies in an election year.

Domestic Economy and Financial Markets

The Nigerian economy faced severe headwinds in 2015. GDP growth plummeted to multi-year lows averaging 2.8% for the year as the euphoria that stemmed from the successful transition to a new government was short-lived. The slowdown in economic growth cut across major sectors, with manufacturing and energy taking the biggest hit. The major drivers of tepid growth recorded were a combination of lower government spending owing to lower crude receipts, constrained disposable income and the knock-on impact on FX, all of which occurred in an extended period of policy uncertainties. The FX impact was specifically severe on both financial and manufacturing sectors. For manufacturers, following the exclusion of certain items from the official market by the CBN in a bid to manage dwindling FX reserves, a dearth of FX meant imported inputs became more expensive, while players with dollar denominated loans also had to grapple with higher finance charges. The banks on the other hand had to deal with higher loan delinquencies, especially from customers in the downstream oil and gas sector that struggled to meet dollar denominated obligations as a result of a steep decline in the price of Oil. While calls for currency devaluation have been loud, the present administration has remained resolute so far, with more focus on blocking leakages and stimulating the real sector through lower interest rates, higher liquidity and increased spending. It is against this backdrop that the CBN implemented the Treasury Single Account (TSA) policy, reduced the MPR by 200bps to 11.0% with an asymmetric corridor of +2/-7ppts around the MPR and also cut the banks' CRR by 5pps to 20.0% at the close of its November meeting. This had Implications for money market and naira fixed income assets, as rates and yields declined steeply in Q4, with bond yields retreating from the impact of JP Morgan and Barclays exclusion from their EM bond indices. Average T-bills and bond yields closed 2015 at 8.2% and 11.4% respectively, The equities market depreciated by -17.4% in 2015, recording a second successive year of negative close. The market was shaped by events ranging from the impact of monetary tightening by the UF Fed which drove foreign portfolio flow reversals, plummeting oil prices, extended period of policy uncertainties, weak corporate results by companies; Oil price decline; as well as persistent pressure on the domestic currency.

Financial Performance

United Capital Plc delivered a strong result in its financial performance in spite of the challenging macroeconomic and operating conditions; we were able to deliver decent result in the year under review. Total Assets grew by 51% from ₦95.287billion to ₦144.106billion whilst gross earnings by 32% to ₦6.15billion. On the whole, profit after tax from continuing operation grew by 39% to ₦2.57billion from ₦1.85billion.

In conclusion distinguished ladies and gentlemen, I am confident in our ability to consistently deliver value to you in the current year as I have no doubt in my mind that the strategies we have put in place in light of our expectations of market scenarios in the coming year will prove effective in delivering much better results. I must thank all of you for your constant support in our task of building a leading financial services firm in Africa. I am confident that with the dedication of our resourceful staff and your unalloyed support, we will continue to delight you with superior return in every line of business we are involved.

Chika Mordi
Chairman
United Capital Plc

... While calls for currency devaluation have been loud, the present administration has remained resolute so far, with more focus on blocking leakages and stimulating the real sector through lower interest rates, higher liquidity and increased spending. It is against this backdrop that the CBN implemented the Treasury Single Account (TSA) policy, reduced the MPR by 200bps to 11.0% with an asymmetric corridor of +2/-7ppts around the MPR and also cut the banks' CRR by 5pps to 20.0% at the close of its November meeting.

Board of Directors

Chika Mordi
Chairman

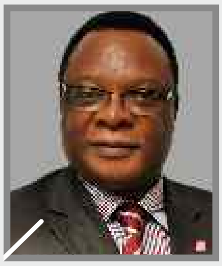
Chika is an accomplished banker who spent over twenty years leading and co-leading successful turnarounds of three banks. Chika has also sat on the boards of more than 30 financial institutions in Africa and the United Kingdom and served as the alternate President of West African Bankers' Association, amongst several other government committees. In 2013, he was appointed the inaugural CEO of the National Competitiveness Council of Nigeria. He is currently the CEO of Accender Africa in Washington, DC.

Chika holds a B.Sc. in Economics from the University of Ilorin and an MBA from IESE Business School Barcelona; MPA from Harvard Kennedy School Cambridge; and M.Sc. from Johns Hopkins University, USA. He is currently conducting research in the area of public communications at the American University's School of Communication, USA.

Oluwatoyin Sanni
Group Chief Executive Officer

Oluwatoyin Sanni holds a Bachelor of Law degree from the University of Ife, a Masters degree, LLM (Hons) from the University of Lagos as well as professional qualifications of the I.C.S.A. UK and the Chartered institute of Stock Brokers (CIS) Nigeria.

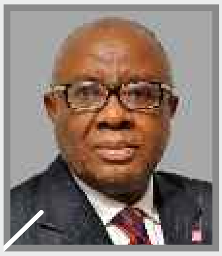
She has over 30 years of experience in Investor Services, Law and Finance, and has served in various committees and boards in the industry including the National Bond Steering Committee, the West African Capital Markets Integration Technical Committee, and as Chairperson of the Custody Sub-Committee of the Capital Markets. She was appointed Group Chief Executive Officer in January 2014.



Ambassador J.K. Shinkaiye
Non Executive Director

Ambassador J.K. Shinkaiyehas over three decades work experience in the public sector, serving in different roles, including Nigeria High Commissioner, London and Ambassador to the United Kingdom. He has also served in different committees as Chairman, Administrative, Budgetary and Financial Committee and Member of the Group that drafted OAU's response to unconstitutional change of Governments in Africa.

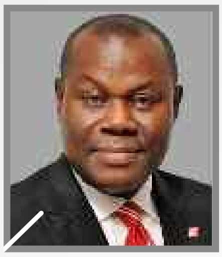
He holds a B.Sc. in Sociology from the University of Lagos.



Emmanuel N. Nnorom
Non Executive Director

Emmanuel N. Nnorom has over 20 years work experience in Accounting and Finance (including at executive levels) in both the real estate and banking sectors in Nigeria. He recently retired from the Board of the United Bank for Africa Plc as an Executive Director.

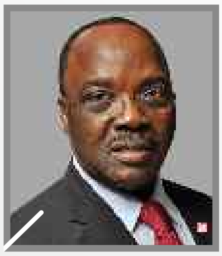
He is an alumnus of Oxford University Templeton College and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an honorary member of the Chartered Institute of Bankers Nigeria (CIBN).



Adim Jibunoh
Non Executive Director

Adim has 28 years experience in the financial services industry. He was the Managing Director/ Chief Executive Officer of Continental Trust Bank until 2004. He was also an Executive Director at Standard Trust Bank (now United Bank for AfricaPlc).

Adim holds a first class degree in Economics from the University of Port Harcourt and an MBA in Financial Management from the University of Lagos. He has also received executive management training at IMD Switzerland, Lagos Business School and Harvard Business School.



Yoro Mohamed Diallo
Independent Director

Yoro is a seasoned banker with over 35 years experience. He has previously worked with Citibank and Ecobank in various capacities.

He holds an M.Sc. in Banking and Finance from Saint Mary's University, California and a BA degree in Finance and Economics of development from Claremont Men's College, California.

Subsidiary CEOs

Wale Shonibare

Deputy Group CEO/MD
United Capital
Investment Banking

Wale is the Deputy Group CEO and Managing Director, Investment Banking at United Capital Plc. He has over 25 years experience in infrastructure finance and development spanning Asia, Europe, Middle East and Africa. Prior to joining United Capital, he was Managing Director and Head of Infrastructure, Africa, Middle East and New Markets at Renaissance Capital. He has also worked with KPMG as a Director in London and Dubai.

He is responsible for United Capital Plc's Investment Banking business, which spans Capital Markets, Mergers & Acquisitions, and Project Finance. He has led the Investment Banking division on various projects including state government and corporate bonds, project and structured finance and M&A transactions across various sectors
Wale holds an MBA from Imperial College, University of London and a B.Eng (Hons) degree in Civil Engineering from the University of Glasgow.

Jude Chiemeka

Chief Executive Officer
United Capital
Asset Management

Jude Chiemeka has over 20 years experience in Securities trading, working primarily as equities and fixed income sales trader across markets in Africa. Prior to joining United Capital, he was the MD/CEO of Chapel Hill Denham Securities, a wholly owned subsidiary of Chapel Hill Advisory Partners an independent investment bank.

His executive educational experience is wide and varied, including programs at the New York Institute of Finance, Euromoney, London and Federated Press; Strategic Planning Skills, Toronto Canada. He is a Fellow of the Chartered institute of Stockbrokers and an alumnus of University of Lagos, Lagos Business School & University of Oxford, UK.

He holds a Masters in International Law and Diplomacy from the University of Lagos and a Bachelors Degree in Zoology from the University of Lagos. He is an Alumnus of the Lagos Business School and the University of Oxford Senior and Advanced Management Program and a Fellow of the Chartered Institute of Stockbrokers.

Tokunbo Ajayi

Chief Executive Officer
United Capital
Trustees

Tokunbo is a seasoned professional with over 25 years in trusteeship services spanning both the private and public sector.

She is the Financial Secretary for the Association of Corporate Trustees. In addition to this, Tokunbo is a member of the NBA, FIDA, Nigerian Institute of Management, the Business Recovery & Insolvency Practitioners Association of Nigeria and the British Council.

She holds a Bachelor of Law Degree from the University of Ife, Ile-Ife and is also an Alumnus of Phillips Consulting, South Africa SMP.

Kayode Fadahunsi

Chief Executive Officer
United Capital
Securities

Kayode is an ardent finance professional with over 15 years experience spanning Corporate Finance, Corporate Banking, Investor Relations, Strategy and Structuring Capital Markets and Mergers and Acquisition deals.

Prior to joining United Capital Plc, he was Director of Investor Relations at UBA Plc. He has also worked with BGL Plc, where he was Group Head, Corporate Finance.

He also holds an MBA (Finance) from the University of Lagos and a B.Sc. in Chemical Engineering from Obafemi Awolowo University, Ile-Ife. He is an Associate of the Chartered Institute of Stockbrokers (CIS) and Alumni of Lagos Business School (Senior Management Programme).

Executive Management

Oluwatoyin Sanni
Group CEO

Oluwatoyin Sanni is the Group CEO of United Capital Plc. She is a Lawyer, Chartered Secretary and Stockbroker with over 30 years experience in Investor Services, Law and Finance in Nigeria.

Prior to her appointment as the Group CEO of United Capital, Toyin Sanni was CEO, United Capital Trustees Limited (formerly known as UBA Trustees Limited)– a subsidiary of United Capital Plc and a market leader in the Trustees business. Her prior career accomplishments include establishment of UBA Global Investor Services, Council Member of the Institute of Chartered Secretaries and Administrators Nigeria, a Fellow and President (current) Association of Investment Advisers and Portfolio Managers, an Associate of the Institute of Directors Nigeria and President of the Association of Corporate Trustees Nigeria, Member National Bond Steering Committee, the West African Capital Markets Integration Technical Committee and as Chairperson of the Custody Sub-Committee of the Capital Market. She held the position of Chairman of the Nigerian Capital Market Annual Retreat Committee for 2012, 2013 and 2014.

Toyin holds a Masters Degree, LLM (Hons), from the University of Lagos as well as the Professional qualifications of the I.C.S.A. UK, and the Chartered Institute of Stockbrokers (C.I.S.).

Wale Shonibare
Deputy Group CEO

Wale is the Deputy Group CEO and Managing Director, Investment Banking at United Capital Plc. He has over 25 years experience in infrastructure finance and development spanning Asia, Europe, Middle East and Africa. Prior to joining United Capital, he was Managing Director and Head of Infrastructure, Africa, Middle East and New Markets at Renaissance Capital. He has also worked with KPMG as a Director in London and Dubai.

He is responsible for United Capital Plc's Investment Banking business, which spans Capital Markets, Mergers & Acquisitions, and Project Finance. He has led the Investment Banking division on various projects including state government and corporate bonds, project and structured finance and M&A transactions across various sectors.

Wale holds an MBA from Imperial College, University of London and a B.Eng (Hons) degree in Civil Engineering from the University of Glasgow.

Sunny Anene
Group Chief Finance Officer

Sunny has over 23 years experience in the financial services industry and has worked in various capacities in Asset Management, Equity Trading, Financial Control, Internal Control, Operations, Risk Management, Compliance and Treasury Management. His work experience spans through Banking, Consulting, Capital Markets and Pension Industries.

He holds an MBA (Finance) from the University of Lagos. He is a Fellow in three professions - Institute of Chartered Accountants of Nigeria; Chartered Institute of Taxation; and Chartered Institute of Stockbrokers. He is also an associate of The Certified Pensions Institute of Nigeria.

Leo Okafor
Group Company Secretary/
General Counsel

Leo is a lawyer with over 20 years experience covering Litigation, Trusteeship, Investment Banking, and Company Secretarial Practice.

Prior to joining United Capital, he was the Managing Director of Zenith Trustees Limited (a subsidiary of Zenith Bank Plc) and PHB Capital & Trust Limited (a subsidiary of Bank PHB Plc and later Keystone Bank Limited) between 2008 and 2012.

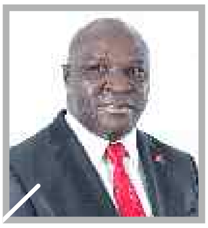
He holds a Master of Law degree, LL.M and Bachelor of Law degree, LL.B (Hons) from the University of Lagos. He is a member of the Nigerian Bar Association, a Fellow of the Institute of Chartered Secretaries & Administrators, London, and holds several academic awards.

James Akeredolu
Head, Audit & Business Assurance

James Olusola Akeredolu is a Qualified Fellow, Chartered Institute of Bankers of Nigeria (CIBN). He is a seasoned Bank official with over 30 years experience in the banking profession.

He began his working career with the Federal Ministry of Transport, Lagos from where he joined United Bank for Africa Plc. Since then, he has worked in several leadership positions in the UBA Group including in UBA Benin Republic as the Country Head, Audit & Control – CHAC (Chief Inspector). He was later re-deployed back to the Country as the Group Head, Subsidiaries Audit/Head, audit, UBA Non Banking Subsidiaries, before his appointment as the Head, Audit & Business Assurance Division of the United Capital Plc.

James holds an MBA, Banking & Finance from Federal University of Technology, Akure and a B. Sc degree in Banking & Finance from Olabisi Onabanjo University, Ago-Iwoye, Ogun State. He is also Qualified Fellow of the Chartered Institute of Bankers of Nigeria (CIBN).



David Oriola
Head, Risk Management

David Oriola is the Head of Risk Management at United Capital Plc. He is a seasoned Finance, Internal Audit, and Internal Control professional with over 15 years of experience. Prior to his appointment as Head, Risk Management at United Capital, David was also the pioneer Head, Internal Control for United Capital Plc.

David has held positions as Internal Auditor, Head, Internal Control for United Bank for Africa (Non-Bank Subsidiaries).

He is an alumnus of University of Lagos as well as a Senior member of Chartered Institute of Loans and Risk Management.

Lucky Okopujie
Acting Group Head, Operations

Lucky has over 15 years working experience in the financial services industry spanning Banking and Capital Market with core expertise in Operations and Corporate Services.

Lucky obtained his MBA and first degree in Business Administration from University of Benin. He is an associate member of the Chartered Institute of Stockbrokers and Nigeria Institute of management.

Bolanle Ibitola
Head, Human Resources

Bolanle is a Strategic Human Resources Management, Business and Organizational Change professional.

Her core expertise includes Performance Management Recruitment and Selection, Managing Diversity and Employee Relations.

She has a Masters in Human Resources Management from the Middlesex University Business School, London and holds a first degree in English Language & Literature from the University of Lagos. She is a member of the Chartered Institute of Personnel and Development (CIPD).

Toyin Awesu
Head, Marketing
& Corporate Communications

Toyin is a strategic Integrated Marketing and Communications professional with a keen interest in communications and digital media technology.

She relocated to Nigeria in 2013 to serve as the Head of Development Communications for the Development Agenda for Western Nigeria (DAWN), where she was responsible for the strategic development communications and brand building of the organization. Prior to joining United Capital Plc, Toyin served as the Integrated Marketing & Communications Manager at Heirs Holdings/The Tony Elumelu Foundation.

She has a Master of Science degree in Integrated Marketing & Communications from West Virginia University (US) and a Bachelor of Arts in Journalism from Temple University (US).

Kayode Tinuoye
Head, Research

Kayode heads the research team of United Capital where is he is also responsible for providing coverage for the Financial Services sector. He has over 8 years experience covering investment research (financial services, consumer goods and macro/fixed income), corporate finance, and strategy.

Prior to United Capital, Kayode was Head Research at Afrinvest West Africa. He has also held positions as Senior Strategy Officer with Diamond Bank Pl and Equity Research Analyst for Meristem Securities Ltd.

He is a graduate of Economics (first class) from the Obafemi Awolowo University Ile-Ife. He is currently a level 2 Candidate in the Chartered Financial Analyst (CFA) programme.

Adeola Oduntan
Head, Information Technology

Adeola is an IT Management professional with vast experience in the Capital Markets and Telecommunications industries.

She has spent the last decade working with leading organisations including 21st Century Technology LTD and Afrinvest West Africa Limited where she was involved in major projects in Infrastructure design and implementation, business continuity process implementation and process management.

She has a Bachelor of Science (BSC) Degree in Computer Science (Information Systems) from Babcock University.

Group CEO's Statement

OLUWATOYIN SANNI
Group Chief Executive Officer

Dear Shareholders
It is a pleasure to present to you this report on United Capital Plc's performance for the year 2015. I am pleased to report that it has been another excellent year for United Capital Plc as we continued the pursuit of our clear and consistent strategy, which has delivered a strong performance for shareholders, and that we remain positive about our future opportunities within the Nigerian and African market, not-withstanding the challenging macro-economic environment.

Against the backdrop of ever-changing industry dynamics, your company has achieved a larger portfolio of assets, offered improved services on better platforms and continues to respond appropriately to the undulating financial terrain whilst remaining focused on the execution of our strategic objective of building the leading integrated investment banking and financial services Group in Nigeria and ultimately Africa. We remain well placed to support our customers and to deliver positive sustainable returns to our shareholders.

Overview of 2015 Performance

The operating environment in 2015 was characterized by high volatility and uncertainty of key macro-economic indices. The year began with uncertainties surrounding the elections, which fuelled a slowdown in economic activity and drove massive portfolio sell-offs and increased cautiousness from investors. Post-election, this slowdown was further compounded by macro-economic headwinds, driven primarily by the drop in global oil prices, a lack of clarity on domestic policy, and inconsistent foreign exchange policies. As a result, Nigeria's GDP growth rate retreated to a multi-year low in 2015, as these headwinds continued to expose structural imbalances within the Nigerian economy. From an average growth rate of 5.8%post-rebasing and overall 6.2% in 2014, real GDP dropped to 4.0% in Q1 2015, 2.4% in Q2 2015 and 2.8% in Q3 2015. This slowdown cut across multiple sectors of the economy and was reflected in the Nigerian capital market (All-Share Index), which returned -17.4% in 2015 to continue the general bearish trend that began in 2014 (-16%).

Despite this highly challenging terrain, the Group's commitment to generating sustainable growth by winning new business and retaining and maximizing existing business has generated a strong performance for FY2015 when compared to 2014.

Revenue and Profitability
By executing our long-term strategy, and displaying resilience and resourcefulness, we were able to earn significant revenues predominantly from the execution and delivery of Debt Capital and Trust services as well as through growth in AUM and the prudent investment of client and proprietary funds.

Total Assets grew 51% over 2014, from ₦95.287 billion to ₦144.12 billion, driven primarily by a growth in funds under management of 63%. The Group generated gross earnings of ₦6.15billion in 2015, up 32% from 2014. Total Gross Earnings were driven primarily by Investment Income (84%) and growth in net interest margin (91%).

The Group recorded Profit-Before-Tax of ₦3.26billion for 2015, a 41% increase over the ₦2.31billion recorded in 2014. 2015 Profit-After-Tax grew by 39%, closing at ₦2.57billion, driven by our pursuit of effective cost management, as well as improvements in our operations and IT capabilities, thereby ensuring that we optimized value and retained a significant proportion of earnings.

Key Transactions & Events
Specifically in 2015, the company successfully participated in and completed key transactions, some of which include but are not limited to:

- Lead Issuing House/ Underwriter and Sole Trustee on ₦30.00billion (US$150million) Transcorp Hotels Plc Medium Term Debt Issuance;
- Structuring Bank/Facility Agent on $250million Pre-Export Finance for Orion Oil – One of the largest debt deals by a Pan-African Investment Bank in 2015;
- Joint Trustee on Fidelity Bank Plc ₦30.00billion Fixed Rate Unsecured Subordinated Bond;
- Appointed Joint Fund Manager for the KfW-sponsored $30 million African Local Currency Bond fund;
- Joint Trustee on the Cross River State ₦8.5billion Fixed Rate Bond Issue;
- Sole Trustee on the ₦5bn ($25million) Gombe State Bond Issue;
- United Capital Securities successfully completed the first direct trade between two West African countries under Phase One of the West African Capital Market Integration (WACMI) Initiative;
- Above market returns by our Mutual Funds which all ranked top three (3) for investment return in their respective categories, as assessed by independent rating agencies, with our Balanced Fund being the highest performing in that category and our Bond Fund and Money Market Funds both ranking second industry-wide.

Financial Position
United Capital Plc's Total Assets stood at ₦144.106billion as at 31st December 2015 with cash and cash equivalents making up 50% of the Group's assets, while Financial Assets made up 45% of Total Assets. Shareholders' Funds as at the end of 2015 was ₦10.42billion and our Return on Average Equity (ROE) was 26%, highlighting continued value creation for our shareholders.

Strategies for Future Growth
As we commence 2016, we remain committed to achieving our goal of building *Africa's Leading Investment & Financial Services Group* and to work hard to accomplish our strategic objective set out in 2015 & 2016. Our priorities include:

- Driving Effectiveness and Efficiency initiatives to improve productivity whilst optimizing costs.
- Further improving our Brand awareness, corporate image and brand value to achieve market-wide recognition and appreciation of our corporate identity.
- Renewed focus on service excellence and execution to drive client growth and retention.
- Expanding our footprint and developing innovative product lines.
- Driving growth in our market share along core areas of product coverage and expertise.
- Increased focus on developing human capital and strengthening our staff.

These initiatives should see us successfully enhance the Group's productivity, revenue growth and profitability.

I have GREAT confidence in the highly dedicated staff and the Management team of United Capital Plc, whose superior pedigree and expertise, led by a strong and highly supportive Board of Directors, make us supremely equipped to build on our strong performance in 2015 to take on 2016, ensuring delivery of excellent value to our shareholders.

Oluwatoyin Sanni
Group Chief Executive Officer

Corporate Governance Report

United Capital Plc operates in a highly regulated industry and as such obliged to comply with all relevant legislations, regulations, standards and codes. The observance of these has helped us to reduce the risk of regulatory sanctions and penalties.

1. Board of Directors

The Board provides overall guidance and policy direction to the Management and acts on behalf of the shareholders in the overall interest of the stakeholders and is accountable to the shareholders. It prides itself in people with a blend of experience and knowledge cutting across the various business lines of the company. In accordance with international best practice, the Board comprises six Directors made up of five Non-Executive Directors and one Executive Director who is the Group Chief Executive Officer.

The Board is made up of the following:

- **Chika Mordi - Chairman**
  Holds a Bsc in Economics from the University of Ilorin, an MBA and four Masters degrees from IESE, Spain; Harvard Business School, Harvard Kennedy School, John Hopkins University and American University (D.C). He is multilingual and has travelled to over 70 countries. He is a frequent political/economic commentator.

  He is an accomplished banker who spent over twenty years leading and co-leading successful turnarounds of three banks. He sat on the boards of more than 30 financial institutions in Africa and the United Kingdom. He served as the alternate president of the West African Bankers' Association and several government committees. He currently serves on the boards of two charities in the United States of America. In 2013, he was appointed as the inaugural CEO of the National Competitiveness Council of Nigeria. In January 2014, he was appointed the Chairman of United Capital Plc.

- **Oluwatoyin Sanni - Group CEO**
  Oluwatoyin Sanni is the Group CEO of United Capital Plc. She is a Lawyer, Chartered Secretary and Stockbroker with over 25 years experience in Investor Services, Law and Finance in Nigeria.

  Prior to her appointment as the Group CEO of United Capital, Toyin Sanni was CEO, United Capital Trustees Limited (formerly known as UBA Trustees Limited)– a subsidiary of United Capital Plc and a market leader in the Trustees business. Her prior career accomplishments include establishment of UBA Global Investor Services, Council Member of the Institute of Chartered Secretaries and Administrators Nigeria, a Fellow and President (current) Association of Investment Advisers and Portfolio Managers, an Associate of the Institute of Directors Nigeria and President of the Association of Corporate Trustees Nigeria, Member National Bond Steering Committee, the West African Capital Markets Integration Technical Committee and as Chairperson of the Custody Sub-Committee of the Capital Market. She held the position of Chairman of the Nigerian Capital Market Annual Retreat Committee for 2012, 2013 and 2014.

  Toyin holds a Masters Degree, LLM (Hons), from the University of Lagos as well as the Professional qualifications of the I.C.S.A. UK, and the Chartered Institute of Stockbrokers (C.I.S.)

- **Yoro Mohamed Diallo (Independent Director)**
  He holds a BA degree in Finance and Economics of development from Claremont Men's College, California and an M.Sc. in Banking and Finance from Saint Mary's University, California.

  He is a seasoned banker with over 35 years experience. He has previously worked with Citibank and Ecobank.

- **Adim Jibunoh (Non-Executive Director)**
  He holds a first class degree in Economics from the University of Port Harcourt and an MBA in Financial Management from the University of Lagos. He has also received executive management training at IMD Switzerland, Lagos Business School and Harvard Business School.

  He has over 28 years experience in the financial services industry, and has strong leadership skills. He was the Managing Director/ Chief Executive Officer of Continental Trust Bank until 2004. He was also an Executive Director at Standard Trust Bank (now UBA Plc).

- **Ambassador J.K. Shinkaiye (Non-Executive Director)**
  He holds a B.Sc. in Sociology from the University of Lagos. He has attended several workshops, seminars and short training programmes as both participant and resource person.

  He has over three decades work experience in the public sector, serving in different roles, including Nigeria High Commissioner, London and Ambassador to the United Kingdom. He has also served in different committees as Chairman, Administrative, Budgetary and Financial Committee and Member of the Group that drafted OAU's response to unconstitutional change of Governments in Africa.

- **Emmanuel Nnorom (Non-Executive Director)**
  He is an alumnus of the Oxford University Templeton College and a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is also an honorary member of the Chartered Institute of Bankers of Nigeria (CIBN).

  He has over 20 years work experience in accounting and finance (including at executive levels) in both the real and banking sectors of the Nigerian economy. He recently retired from the Board of United Bank for Africa Plc as an Executive Director.

2. Attendance at Board Meetings

The Board of United Capital Plc met four times in 2015. It met at every quarter. Please find the record of attendance below.

Names	Meetings Held			
	06/03/15	12/06/15	23/10/15	10/12/15
Chika Mordi	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓
Ambassador J. K. Shinkaiye	✓	✓	✓	✓
Yoro Mohammed Diallo	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Oluwatoyin Sanni	✓	✓	✓	✓

3. Constitution of the Board of Directors

The Board of United Capital has two Committees; namely:

- Finance Investment and Risk Management Committee ("FIRM"); and
- Audit and Governance Committee ("AGC").

3.1 Finance Investment and Risk Management Committee

The FIRM Committee has responsibility to do the following:

3.1.1 Formulate and shape the strategy of the Group and make recommendations to the Board for approval;
3.1.2 Provide oversight on financial matters and the performance of the Group;
3.1.3 Review and recommend investment opportunities or initiatives to the Board;
3.1.4 Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Group;
3.1.5 Review the Group's investment portfolio annually;
3.1.6 Monitor, review and assess the integrity and adequacy of the overall risk management framework of the Group;
3.1.7 Ensure that risk assessments are performed on a continual basis and ensure that frameworks and methodologies are in place to increase the probability of anticipating unpredictable risks.

3.2 Audit and Governance Committee

The responsibility of the AGC, among other things is to:

3.2.1 Advise the Board on corporate governance standards and policies;
3.2.2 Review and recommend to the Board for approval, all human resources and governance policies;
3.2.3 Organize Board and Board Committee inductions and trainings;
3.2.4 Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants;
3.2.5 Ensure that an effective system of financial and internal controls is in place;
3.2.6 Recommend to the Board, directors for election and re-election;
3.2.7 Provide a central source of guidance and advice to the Board and company on matters of ethics, conflict of interest and good corporate governance;
3.2.8 Review Audit exception reports relating to the Group's compliance of major policies including Expense and Human Resource policies.

4. Attendance at Board Committee Meetings

4.1 *Finance Investment and Risk Management Committee*

Names	Meetings Held			
	06/03/15	12/06/15	23/10/15	09/12/15
Emmanuel Nnorom (Chairman)	✓	✓	✓	✓
Adim Jibunoh	✓	✓	✓	✓
Ambassador J. K. Shinkaiye	✓	✓	✓	✓
Oluwatoyin Sanni	✓	✓	✓	✓

4.2 *Audit Governance Committee*

Names	Meetings Held			
	06/03/15	12/06/15	23/10/15	09/12/15
Adim Jibunoh (Chairman)	✓	✓	✓	✓
Emmanuel Nnorom	✓	✓	✓	✓
Ambassador J. K. Shinkaiye	✓	✓	✓	✓

Directors' Report

The Directors present their report together with the audited financial statements of the Group for the year ended December 31, 2015.

1. LEGAL FORM

United Capital Plc was incorporated in Nigeria as Limited Liability Company on March 14, 2002 under the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004. It became a public company and was listed on the Nigerian Stock Exchange in January 2013 after a successful spin-off from United Bank for Africa Plc, a commercial bank in Nigeria. United Capital Plc ("UCAP") is the first Investment Bank in Nigeria to be listed on the Nigerian Stock Exchange. UCAP is a holding company with three subsidiaries namely United Capital Trustees Limited, United Capital Asset Management Limited and United Capital Securities Limited. Its areas of business include investment banking, trusteeship, asset management and stock-broking.

2. RESULTS

	Group		Company	
	2015	2014	2015	2014
	N'000	N'000	N'000	N'000
Profit Before Tax	3,263,663	2,309,879	1,488,390	1,464,017
Income Tax	(693,191)	(463,531)	(586,009)	(138,315)
Profit for the Year	2,570,472	1,846,348	902,381	1,325,702
Other Comprehensive Income	(26,331)	(1,334,824)	(11,483)	(57,412)
Total Comprehensive Income	2,544,141	511,524	890,898	1,268,290
Total Comprehensive Income Attributable to Equity Holders of the Company	2,544,141	511,524	890,898	1,268,290
Earnings Per Share	43	41	15	29

3. DIVIDEND

In respect of the current year, the Directors propose that a dividend of 35 kobo per ordinary share of 50 kobo each, amounting to ₦2.1billion, be paid to shareholders upon approval at the Annual General Meeting. The proposed dividend is subject to withholding tax at the appropriate tax rate and is payable to shareholders whose names appear on the Register of Members at the close of business on March 29 to March 30, 2016.

4. PRINCIPAL ACTIVITIES

United Capital Plc (UCAP) is engaged in the business of investment banking and provides issuing house, corporate investment advisory services, project finance, debt restructuring, mergers and acquisitions, debt capital markets. Through its subsidiaries, it provides additional services such as trusteeship, asset management, securities, trading and insurance.

5. BUSINESS REVIEW AND FUTURE DEVELOPMENT

United Capital Plc (UCAP) carries out its activities in accordance with its Memorandum and Articles of Association. A comprehensive review of the business for the year and the prospects for the ensuing year is contained in the Group Chief Executive Officer's report.

6. DIRECTORS

The names of the Directors during the year ended December 31, 2015 are shown below. In accordance with section 259 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004, the following directors are retiring and are offering themselves for re-election:

6.1 Mr. Emmanuel Nnorom
6.2 Mr. Adim Jibunoh

7. DIRECTORS INTERESTS

The interests of the Directors in the issued share capital of the Company are recorded in the register of Director's Shareholding as at December 31, 2015 as follows:

S/N	NAMES OF DIRECTORS	31-Dec-15 DIRECT	31-Dec-15 INDIRECT	31-Dec-14 DIRECT	31-Dec-14 INDIRECT
1	Chika Mordi	48,086	N/A	12,363	N/A
2	Adim Jibunoh	N/A	N/A	N/A	N/A
3	Emmanuel Nnorom	2,640,486	23,486,645	2,640,486	22,382,665
4	Yoro Diallo	N/A	N/A	N/A	N/A
5	Amb. John K. Shinkaiye	3,114,308	N/A	2,514,308	N/A
6	Oluwatoyin Sanni	1,015,350	N/A	1,015,359	N/A

8. ANALYSIS OF SHAREHOLDING

As at the end of 2015, United Capital's shares were held by 270, 008 shareholders as analyzed in the table below:

Range	No of shareholders	% of total shareholders	No of shares held	% of total shareholding
1-1,000	176,042	65.20%	63,456,323.00	1.06%
1,001-5,000	65,286	24.18%	138,809,363.00	2.31%
5,001-10,000	13,107	4.85%	90,644,416.00	1.51%
10,001-50,000	11,371	4.21%	236,732,818.00	3.95%
50,001-100,000	1,780	0.66%	126,500,872.00	2.11%
100,001-500,000	1,768	0.65%	367,618,438.00	6.13%
500,001-1,000,000	301	0.11%	219,266,787.00	3.65%
1,000,001-999,999,999,999	353	0.13%	4,756,970,983	79.28%
	270,000	**100%**	**6,000,000,000**	**100%**

SUBSTANTIAL INTEREST IN SHARES (10% and above)
As of the end of December 31, 2015, the shareholders with 5% and above are shown in the table below:

SHAREHOLDERS	SHAREHOLDING	% HOLDING
West Coast Equity Limited	668,367,002	11.14%
West Coast Equity Limited (NG)	637,111,568	10.62%

9. SUMMARY OF DEALING IN UNITED CAPITAL PLC SHARES AS AT DECEMBER 31, 2015

QUARTER	TOTAL	MONTHLY AVERAGE
MARCH QUARTER	607,063,029.62	202,354,343.21
JUNE QUARTER	616,809,221.72	205,603,073.91
SEPTEMBER QUARTER	330,536,718.48	110,178,906.16
DECEMBER QUARTER	252,852,601.51	84,284,200.50

10. ACQUISITION OF OWN SHARES

The Company did not purchase its own shares during the period.

11. PROPERTY, PLANT & EQUIPMENT

In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the financial statement.

12. EMPLOYMENT AND EMPLOYEES

12.1 Employment of Physically Challenged Persons
The Company operates a non-discriminatory policy in the consideration of applications for employment including those received from physically challenged persons. The Company's policy is that the most qualified persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

12.2 Health, Safety at Work and Welfare of Employees
The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Company provides medical facilities to its employees and their immediate families at its expense.

12.3 Employee Involvement and Training

The Company encourages participation of its employees in arriving at decisions in respect of matters affecting their wellbeing. Towards this end, the Company provides opportunities where employees deliberate on issue affecting the Company and employees interest, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower.

12.4 Research and Development

The Company also on a continuous basis carries out research into new products and services.

13. EVALUATION

13.1 Board Evaluation

A Board evaluation was undertaken in 2016 by PriceWaterHouseCoopers. The performance of the Board, Board Committee and individual directors were adjudged satisfactory and necessary feedback were communicated to individual directors arising from the exercise.

13.2 SAC Evaluation

An evaluation of the Statutory Audit Committee ("SAC") was also undertaken and the performance of the SAC members was adjudged satisfactory. Members resolved to sustain the performance and strive to surpass it in subsequent years.

14. COMPLIANCE

14.1 Trading in Securities Policy

In compliance with the Rules of the Nigerian Stock Exchange, we have put in place a Securities Trading Policy to guide our Directors, Employees, External Advisers and Related Parties on trading in the securities of the company within the closed period. Under this policy the closed period is when no Director, Employee, External Adviser and Related Party with inside information can trade in the securities of the company. The closed period is 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters 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 Exchange, the trading window shall thereafter be opened:

(a) Declaration of financial results (quarterly, half-yearly and annual);
(b) Declaration of dividends (interim and final);
(c) Issue of securities by way of public offer or rights or bonus etc;
(d) Any major expansion plans or winning of bid or execution of new projects, disposal of the whole or a substantial part of the undertaking;
(e) Any changes in policies, plans, or operations of the company that are likely to materially affect the prices of the securities of the company;
(f) Disruption of operations due to natural calamities;
(g) Litigation/dispute with a material impact;
(h) Any information which if disclosed in the opinion of the person discharging the same is likely to materially affect the price of the securities of the company.

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

14.2 SEC Code of Corporate Governance for Public Companies in Nigeria

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

14.3 Complaint Management Framework

The Company has a Complaint Management Framework in place which has also been uploaded on the Company's website.

14.4 Whistle Blowing Policy

The Company has a Whistle Blowing Policy in place. This was extensively reviewed by the Board and it covers among other things the procedures for the receipt, retention and treatment of information received from whistle blowers and the custodian of the dedicated line.

15. POST-BALANCE SHEET EVENTS

There are no post balance sheet events which could have had a material effect on the financial statement as of December 31, 2015.

16. AUDITORS

Messrs Akintola Williams Deloitte has indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

A resolution will be proposed at the Annual General Meeting to authorize the directors to determine their remuneration.

BY THE ORDER OF THE BOARD

LEO OKAFOR
Company Secretary

Deloitte.

PO Box 965
Marina
Lagos
Nigeria

Akintola Williams Deloitte
235 Ikorodu Road
Ilupeju
Lagos
Nigeria

Tel: +234 (1) 271 7800
Fax: +234 (1) 271 7801
www.deloitte.com/ng

Independent Auditor's Report to the Members of United Capital Plc

Report on the Financial Statements

We have audited the accompanying consolidated and separate financial statements of **United Capital Plc** (the Company) and its subsidiaries **(together referred to as "the Group")** which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, consolidated and separate statement of cash flow for the year then ended 31 December 2015, a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act, CAP C20 LFN 2004, the Investment and Securities Act CAP S124 LFN 2007, and the Financial Reporting Council of Nigeria Act 2011 and for such internal control as the Directors determine are necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of **United Capital Plc** and its subsidiaries as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004, Investments and Securities Act CAP S124 LFN 2007 and the Financial Reporting Council of Nigeria Act 2011.

Other reporting responsibilities

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii) The Group has kept proper books of account, so far as appears from our examination of those books.
iii) The Group's consolidated and separate statements of financial position and its consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.

Michael Daudu, FCA, FRC/2013/ICAN/00000000845
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
17 March, 2016

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF UNITED CAPITAL PLC

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act (Cap C20), Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of United Capital Plc hereby report as follows:

"We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act (Cap C20) Laws of the Federation of Nigeria 2004 and we acknowledge the cooperation of the Management and Staff in the conduct of these responsibilities.

Therefore, we confirm that:

- The accounting and reporting policies of the Company are consistent with legal requirements and ethical practices.
- The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
- We have considered the Independent Auditors' post audit report and Management responses thereon, and are satisfied with the responses to our questions as well as the state of affairs at United Capital Plc".

Alhaji Abdulqadir Jeli Bello
Chairman
Statutory Audit Committee
Dated March 18, 2016

Members of the Statutory Audit Committee

1.	Alhaji Abdulqadir Jeli Bello	-	Chairman
2.	Pastor Alex Adio	-	Member
3.	Mrs. Faith George-Usman	-	Member
4.	Ambassador J. K. Shinkaiye	-	Member
5.	Mr. Emmanuel Nnorom	-	Member
6.	Mr. Adim Jibunoh	-	Member

pwc

24 March 2016

The Chairman
Board of Directors
United Capital Plc.
UBA House
57 Marina
Lagos

Dear Sir,

Report to the Directors of United Capital Plc on the outcome of the Board Performance Assessment

PricewaterhouseCoopers was engaged to carry out an assessment of the Board of Directors of United Capital Plc. ("UCAP") as required by Section 15.1 of the Securities and Exchange ("SEC") Code of Corporate Governance for Public Companies in Nigeria ("the Code"). The Code requires that the review should cover all aspects of the Board's structure and composition, responsibilities, processes and relationships, as well as individual members' competencies and respective roles in the Board's performance. The review was conducted for the period ended 31 December 2015.

The Board is responsible for the preparation and presentation of information relevant to its performance. Our responsibility is to reach a conclusion on the Board's performance based on work carried out within the scope of our engagement as contained in our letter of engagement. In carrying out the evaluation, we have relied on representations made by members of the Board and Management and on the documents provided for our review.

The Board has substantially complied with the provisions of the Code. This is evidenced by the strong leadership skills, commitment of Board members to meetings and their active involvement in corporate strategy formulation and monitoring, existence of a formal Succession Plan for the Executive Management and the quality of board materials provided to Directors before board meetings. Other areas of compliance include the composition and size of the board and board committees, diversity of skills and the quality of board deliberations.

Areas for improvement include development of a remuneration policy for Directors and Senior management and training of Board members. Other findings and recommendations are contained in our full report to the Board.

We also facilitated the assessment by Directors of the individual performance of themselves and their fellow Directors for the year under review. This assessment covered the perceived time commitment to the business of the company, commitment to continuous learning and development and self & peer assessment. Each individual Director's Assessment report was prepared and made available to them respectively while a consolidated report for all Directors was submitted to the Chairman of the Board.

Yours faithfully
For: PricewaterhouseCoopers Limited

Ifori Layegue
Associate Director
FRC/2013/ICAN/00000002989

PricewaterhouseCoopers Limited, 252E Muri Okunola Street, Victoria Island
P.O. Box 2419, Lagos, Nigeria
T: +234 (1) 271 1700, F: +234 (1) 270 3108, 270 3109, www.pwc.com/ng
Directors: : S Abu, O Adekoya, W Adetokunbo-Ajayi, UN Akpata, O Alakhume, I Arunfor , K Asante-Poku (Ghanian), D Asapokhai, C Azobu, R Eastaugh (South African), E Erhie, A Eriksson (Kenyan), I Ezeuko, M Iwelumo, A Kehinde, D McGraw (American), A Nevin (Canadian), R Newsome (British), P Obianwa, B Odiaka, T Ogundipe, P Omontuemhen, T Oputa, T Oyedele, AB Rahji, O Ubah, A Ugarov (American). In this document, "PwC" and "PricewaterhouseCoopers" refer to PricewaterhouseCoopers Nigeria which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Statement of Directors Reponsibilities

Statement of Directors' Responsibilities
For the Preparation and Approval of the Consolidated and Separate Financial

The Directors of United Capital Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and Company as at 31 December 2015, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act No 6, 2011 and the Investments and Securities Act CAP S124 LFN 2007.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- Making an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- Preventing and detecting fraud and other irregularities.

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

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2015 were approved by directors on 17 March 2016.

On behalf of the Directors of the Group

Chika Mordi
Chairman
FRC/2014/IODN/00000006667

OluwatoyinSanni
Group Chief Executive Officer
FRC/2013/NBA/00000002481

Statement of Consolidated Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		Company	
		2015	2014	2015	2014
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross Earnings		**6,153,729**	**4,676,602**	**3,087,052**	**2,236,593**
Investment income	5	3,072,587	1,670,843	259,336	164,873
Fee and commission income	6	1,612,806	1,846,581	831,942	1,047,115
Net trading income		-	25,979	-	-
Net interest margin	7	810,862	424,990	-	-
Net operating income		**5,496,255**	**3,968,393**	**1,091,278**	**1,211,989**
Other income	8	657,474	759,086	45,774	16,605
Net gains/(losses) from financial assets held for trading	9	-	(50,877)	-	-
Dividend income from Subsidiaries	10	-	-	1,950,000	1,008,000
Total Revenue		**6,153,729**	**4,676,602**	**3,087,052**	**2,236,593**
Personnel expenses	11	(1,197,807)	(1,188,826)	(491,235)	(348,628)
Other operating expenses	12	(1,310,552)	(1,111,973)	(579,663	(288,520)
Depreciation and amortisation	19&20	(63,993)	(68,781)	(30,709)	(37,758)
Impairment charge	21.2	(665,664)	(124,647)	(497,055)	(97,670)
Total Expenses		**(3,238,016)**	**(2,494,227)**	**(1,598,662)**	**(772,577)**
Share of profit of equity accounted investee	17	347,950	127,504	-	-
Profit before income tax		**3,263,663**	**2,309,879**	**1,488,390**	**1,464,017**
Income tax expense	13	(693,191)	(463,531)	(586,009)	(138,315)
Profit for the year after tax		**2,570,472**	**1,846,348**	**902,381**	**1,325,702**
Other comprehensive income net of income tax					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Other comprehensive income for the year, net of taxes: Net fair value (loss) on available for sale securities		(26,331)	(1,334,824)	(11,483)	(57,412)
Total comprehensive income for the year		**2,544,141**	**511,524**	**890,898**	**1,268,290**
Profit for the year attributable to:					
Equity holders of the Company		**2,570,472**	**1,846,348**	**902,381**	**1,325,702**
Total comprehensive income attributable to:					
Equity holders of the Company		**2,544,141**	**511,524**	**890,898**	**1,268,290**
Earnings per share-basic (kobo)	14	43	41	15	29

Statement of Financial Position

Consolidated and Separate Statements of Financial Position
As at 31 December 2015

	Note	Group 2015	Group 2014	Company 2015	Company 2014
ASSETS		=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents	15	72,736,383	31,795,597	1,289,919	453,597
Financial assets:					
- Loan and receivables	16.1	30,856,189	21,152,276	12,717,488	11,608,222
- Available for sale	16.3	10,548,229	9,035,439	42,186	53,668
- Held to maturity	16.4	23,163,229	27,525,589	1,714,746	1,314,698
- Investment in property	16.5	270,000	270,000	-	-
Investment in associates	17	2,266,396	1,928,952	1,650,000	1,650,000
Investments in subsidiaries	18	-	-	750,000	750,000
Property, plant and equipment	19	158,703	232,950	99,945	142,284
Intangible assets	20	31,069	33,603	31,069	33,603
Trade and other receivables	21	3,418,928	2,791,601	729,623	1,543,403
Dividend receivable from subsidiaries	-	-	-	2,921,616	2,376,407
Deferred tax assets	22	656,967	521,449	334,367	236,325
TOTAL ASSETS		**144,106,093**	**95,287,456**	**22,280,959**	**20,162,207**
LIABILITIES					
Bank overdraft	23	2,973,552	-	-	-
Managed funds	24	109,105,099	67,035,403	-	-
Other borrowed funds	25	16,144,955	14,479,289	13,704,523	12,397,952
Other liabilities	26	3,286,581	3,173,303	734,795	282,924
Current tax liabilities	27	2,175,136	1,522,835	1,380,995	711,585
Deferred tax liabilities	22.1	219	219	-	-
TOTAL LIABILITIES		**133,685,542**	**86,211,049**	**15,820,313**	**13,392,461**
SHAREHOLDERS FUND					
Share capital	28	3,000,000	3,000,000	3,000,000	3,000,000
Share premium	28.1	683,611	683,611	683,611	683,611
Retained earnings	29	8,433,057	7,062,582	2,834,888	3,132,506
Other reserves	32	(1,696,117)	(1,669,786)	(57,853)	(46,371)
TOTAL SHAREHOLDERS FUND		**10,420,551**	**9,076,407**	**6,460,646**	**6,769,746**
TOTAL LIABILITIES AND SHAREHOLDER'S FUND		**144,106,093**	**95,287,456**	**22,280,959**	**20,162,207**
CONTINGENT LIABILITIES	37	**-**	**14,000,000**	**-**	**14,000,000**

CHIKA MORDI
(Chairman)
FRC No: FRC/2014/IODN/00000006667

OLUWATOYIN SANNI
(Group Chief Executive Officer)
FRC No: FRC/2013/NBA/00000002481

SUNNY ANENE
(Group Chief Finance Officer)
FRC No: FRC/2013/ICAN/00000004944

Statement of Changes in Equity

Consolidated Statement of Changes in Equity

(a)
Group

	Share Capital =N=' 000	Retained Earnings =N=' 000	Share Premium =N=' 000	Other Reserves =N=' 000	Total =N=' 000
At 1 January 2015	3,000,000	7,062,585	683,611	(1,669,786)	9,076,410
Transfer from profit or loss account	-	2,570,472	-	-	2,570,472
Dividend paid	-	(1,200,000)	-	-	(1,200,000)
Fair value reserves	-	-	-	(26,331)	(26,331)
At 31 December 2015	**3,000,000**	**8,433,057**	**683,611**	**(1,696,117)**	**10,420,551**
Company					
At 1 January 2015	3,000,000	3,132,508	683,611	(46,371)	6,769,748
Transfer from profit or loss account	-	902,381	-	-	902,381
Dividend paid	-	(1,200,000)	-	-	(1,200,000)
Fair value reserve	-	-	-	(11,483)	(11,483)
At 31 December 2015	**3,000,000**	**2,834,888**	**683,611**	**(57,853)**	**6,460,646**

(b)

31 December 2014 Group	Share Capital =N=' 000	Retained Earnings =N=' 000	Share Premium =N=' 000	Other Reserves =N=' 000	Total =N=' 000
At 1 January 2014	2,000,000	6,716,237	-	(334,962)	8,381,275
Arising during the year	1,000,000	-	683,611	-	1,683,611
Transfer from profit or loss account	-	1,846,348	-	-	1,846,348
Dividend paid	-	(1,500,000)	-	-	(1,500,000)
	3,000,000	7,062,585	683,611	(334,962)	10,411,234
Other comprehensive income, net of tax	-	-	-	(1,334,824)	(1,334,824)
At 31 December	**3,000,000**	**7,062,585**	**683,611**	**(1,669,786)**	**9,076,407**
Company					
At 1 January 2014	2,000,000	3,306,806	-	11,041	5,317,847
Arising during the year	1,000,000	-	683,611	-	1,683,611
Transfer from profit or loss account	-	1,325,702	-	-	1,325,702
Dividend paid	-	(1,500,000)	-	-	(1,500,000)
	3,000,000	3,132,508	683,611	11,041	6,827,158
Other comprehensive income, net of tax	-	-	-	(57,412)	(57,412)
At 31 December	**3,000,000**	**3,132,508**	**683,611**	**(46,371)**	**6,769,748**

Statement of Cash Flows

Consolidated Statement of Cash Flows

	Note	Group 2015 N'000	Group 2014 N'000	Company 2015 N'000	Company 2014 N'000
Cash flows from operating activities					
Interest & investment income	5	3,072,587	1,670,843	259,336	164,873
Fees & commission income	6	1,612,807	1,846,581	831,942	1,047,115
Net trading income		-	25,979	-	-
Net interest margin	7	810,862	424,990	-	-
Other income	8	657,474	759,086	45,774	16,605
Cash paid to employees	11	(991,956)	(1,188,826)	(463,358)	(348,628)
Other operating cash		42,447,556	3,317,958	190,235	(931,578)
Tax paid	27	(165,900)	(303,519)	(14,640)	(142,885)
Net cash provided by/(used in) operating activities		47,443,430	6,553,092	849,289	(194,498)
Cash flows from investing activities					
Purchase of property and equipment	19	(28,914)	(149,687)	(4,530)	(110,147)
Purchase of intangible assets	20	(6,901)	(12,237)	(6,901)	(12,237)
Investments in financial assets:					
Held for trading		-	173,137	-	-
Available for sale		(1,539,122)	202,943	-	-
Loans and receivables		(9,703,911)	(12,301,070)	(1,109,267)	(8,148,380)
Held to Maturity		4,364,553	(821,173)	(400,048)	(1,367,989)
Investment property		-	(270,000)	-	-
Net cash (used in) investing activities		**(6,914,295)**	**(13,178,087)**	**(1,520,746)**	**(9,638,753)**
Cash flows from financing activities					
Dividend received		-	-	1,404,791	1,526,567
Dividend paid	29	(1,200,000)	(1,500,000)	(1,200,000)	(1,500,000)
Proceeds from rights issue		-	1,683,611	-	1,683,611
Additional loan during the year	25	4,302,988	13,421,084	1,302,988	11,421,084
Loan repayment	25	(2,691,337)	(4,387,722)	-	(4,387,722)
Net cash provided by financing activities		**411,651**	**9,216,973**	**1,507,779**	**8,743,540**
Net increase/(decrease) in cash and cash equivalents		40,940,786	2,591,978	836,322	(1,089,711)
Cash and cash equivalents at beginning of year		31,795,597	29,203,619	453,597	1,543,308
Cash and cash equivalents at end of year	15	72,736,383	31,795,597	1,289,919	453,597

Notes to the Financial Statement

Notes to the Consolidated and Separate Financial Statements

1 Company Information

These financial statements are the consolidated financial statements of United Capital Plc, a company incorporated in Nigeria and its subsidiaries (hereafter referred to as 'the Group').

United Capital Plc was incorporated in Nigeria, as a Public liability company, on 3 August, 2012, to act as the ultimate holding company for the United Capital Group. The company was listed on 17 January 2013.

The principal activities of the Group are mainly the provision of investment banking services, portfolio management services, securities trading and trusteeship.

The consolidated and separate financial statements for the year ended 31 December 2015 were approved for issue by the Board of Directors on 17 March 2016.

2 Summary of Significant Accounting Policies

The principal accounting policies adopted by the Group in the preparation of these consolidated & separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Going Concern

These financial statements have been prepared on the going concern basis. The Group has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the Group due to sufficient capital adequacy ratio and projected liquidity, based on historical experience that short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group is carried out by the Group to ensure that there are no going concern threats to the operation of the group.

2.2 Basis of Preparation

The Group's consolidated financial statements for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB. Additional information required by national regulations is included where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Group's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes to the financial statements.

Basis of Measurement

The financial statements are prepared on a historical cost basis except for available for sale assets, which are measured at fair value through other comprehensive income. Available for sale assets that cannot be measured reliably are measured at cost less impairment. Financial assets and liabilities held for trading are measured at fair value.

2.2.1 Statement of Compliance

The Consolidated and Separate financial statements have been prepared in accordance with International Financial Reporting Standards (" IFRS") issued by the International Accounting Standards Board (IASB) and adopted by the Financial Reporting Council of Nigeria.

The Consolidated and Separate financial statements comply with the requirement of the International Financial Reporting Standard, Companies and Allied Matters Act CAP C20 LFN 2004, Investment and Securities Act Cap S127 LFN 2004, the Financial Reporting Council Act 2011 to the extent that they are not in conflict with the International Financial Reporting Standards (IFRS).

2.3 Consolidation

The financial statements of the subsidiaries used to prepare the consolidated financial statements were prepared as of the parent company's reporting date. The consolidation principles are unchanged as against the previous year.

(a) Subsidiaries

The consolidated and separate financial statements incorporate the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control. Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities.

All the facts of a particular situation are considered when determining whether control exists. Control is usually present when an entity has:

- Power over more than one-half of the voting rights of the other entity;
- Power to govern the financial and operating policies of the other entity;
- Power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

In its separate financial statements, the company accounts for its investment in subsidiaries at cost.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Consistent accounting policies are used throughout the Group for the purposes of consolidation.

(b) Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over these policies. Significant influence is generally demonstrated by the Group holding in excess of 20%, but less than 50%, of the voting rights.

The Group's share of results of the associate entity is included in the consolidated income statement. Investments in associates are carried in the statement of financial position at cost plus the Group's share of post-acquisition changes in the net assets of the associate. Investments in associates are reviewed for any indication of impairment at least at each reporting date. The carrying amount of the investment is tested for impairment, where there is an indication that the investment may be impaired.

When the Group's share of losses or other reductions in equity in an associate equals or exceeds the recorded interest, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

The Group's share of the results of associates is based on financial statements made up to a date not earlier than three months before the balance sheet date, adjusted to conform with the accounting policies of the Group. Unrealised gains and losses on transactions are eliminated to the extent of the Group's interest in the investee. Losses may provide evidence of impairment of the asset transferred in which case appropriate allowance is made for impairment.

In the separate financial statements of the Company, investments in associates are stated at cost less accumulated impairment losses, if any.

2.4 Common Control Transactions

A business combination involving entities or businesses under common control is excluded from the scope of IFRS 3: Business Combinations. The exemption is applicable where the same party controls the combining entities or businesses both before and after the combination. Where such transactions occur, the Group, in accordance with IAS 8, uses its judgment in developing and applying an accounting policy that is relevant and reliable. In making this judgment, the Directors consider the requirements of IFRS dealing with similar and related issues and the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the framework. The Directors also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or interpretation.

Accordingly the Group applies the guidance as set out in IFRS 3R on common control transactions. The assets and liabilities of the business transferred are measured at their existing book value in the consolidated financial statements of the parent, as measured under IFRS.

The Group incorporates the results of the acquired businesses only from the date on which the business combination occurs.

2.5 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 and functional currency.

(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 valuation where items are re-measured.

Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the statement of financial position date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial value instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income. Non-monetary items that are measured under the historical cost basis are not retranslated.

2.6 Income Taxation

(a) Current Income Tax
Income tax payable (receivable) is calculated on the basis of the applicable tax law Nigeria and is recognised as an expense (income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity (for example, current tax on equity instruments for which the entity has elected to present gains and losses in other comprehensive income).

(b) Deferred Income Tax
Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax will be realized.

2.7 Financial Assets and Liabilities

In accordance with IAS 39, all financial assets and liabilities – which include derivative financial instruments – are recognised in the statement of financial position and measured in accordance with their assigned category

2.7.1 Financial Assets
The Group allocates financial assets to the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The Directors determine the classification of its financial instruments at initial recognition.

(a) Financial assets at fair value through profit or loss
This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, traded corporate and

United Capital Plc was incorporated in Nigeria, as a Public liability company, on 3 August, 2012, to act as the ultimate holding company for the United Capital Group. The company was listed on 17 January 2013.

The principal activities of the Group are mainly the provision of investment banking services, portfolio management services, securities trading and trusteeship.

bank loans, and equity instruments, as well as financial assets with embedded derivatives.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the income statement. Gains and losses arising from changes in fair value are included directly in the income statement and are reported as 'Net gains/ (losses) on financial instruments at fair value through profit or loss'. Interest income and expense and dividend income and expenses on financial assets at fair value through profit or loss are included in 'Net interest income' or 'Dividend income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

Those that the Group intends to sell immediately or in the short term, which is classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;

(i) Those that the Group upon initial recognition designates as available for sale; or

(ii) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the statement of financial position as investment securities that there was no ready market for tradable. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and receivable

(c) Held-to-Maturity Financial Assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's Directors have the positive intention and ability to hold to maturity, other than:

(i) Those that the Group upon initial recognition designates at fair value through profit or loss;

(ii) Those that the Group designates as available for sale; and

(iii) Those that were initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Interest on held-to-maturity investments is included in the income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/(losses) on investment securities'.

(d) Available-for-Sale Financial Assets

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

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the statement of comprehensive income is recognised in the income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement in 'Other operating income' when the Group's right to receive payment is established.

(e) Recognition

The Group uses settlement date accounting for regular way contracts when recording financial asset transactions. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

2.7.2 Financial Liabilities

The Group's holding in financial liabilities is in financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value), financial liabilities at amortised cost and hedging derivatives. Financial liabilities are derecognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller.

Those financial instruments are recognised in the statement of financial position as 'Financial liabilities held for trading'.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the income statement and are reported as 'Net gains/ (losses) on financial instruments at fair value through profit or loss'. Interest expenses on financial liabilities held for trading are included in 'Net interest income'.

Other liabilities measured at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from corporates or customers, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

2.7.3 Derivative Financial Instruments

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

2.7.4 Embedded Derivatives

Hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and measured at fair value with gains and losses being recognised in the income statement

2.7.5 Determination of Fair Value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations.

This includes listed equity securities and quoted debt instruments on major exchanges (for example, NSE) and broker quotes from Bloomberg and Reuters."

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at the date of the statement of financial position.

The Group uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity, such as options or interest rate and currency swaps. For these financial instruments, inputs into models are generally market-observable.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted securities (including those with embedded derivatives) and other instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The impact on net profit of financial instrument valuations reflecting non-market observable inputs (level 3 valuations) is disclosed in the Notes"

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk.

Based on the established fair value model governance policies, and related controls and procedures applied, the Directors believe that these valuation adjustmentsare necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

2.7.6 De-Recognition of Financial Instruments

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.8 Reclassification of Financial Assets

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

The group may reclassify a financial instrument when its intentions and the characteristics of the financial instrument changes.

2.9 Offsetting Financial Instruments

Master agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis.

Financial assets and liabilities are offset and the net amount reported in the statement of 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 realize the asset and settle the liability simultaneously."

2.10 Revenue Recognition

(a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses.

Fees, including those for early redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(b) Fees and commission income

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts. The same principle is applied to the recognition of income from wealth management, financial planning and custody services that are continuously provided over an extended period of time.

(c) Dividend income

Dividends are recognised in the income statement in "Dividend income" when the entity's right to receive payment is established

2.11 Impairment of financial assets

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 is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cashflows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(i) Adverse changes in the payment status of borrowers in the portfolio;
(ii) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

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

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar risk characteristics, taking into account asset type, industry, geographical location, collateral type, past-due status and other relevant factors. These characteristics are relevant to the estimation of future cash flows for groups of such financial assets by being indicative of the counterparty's ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted based on current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Following impairment, interest income is recognised using the effective rate of interest, which was used to discount the future cash flows for the purpose of measuring the impairment loss.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The amount of the loss is recognised using an allowance account and recognised in the Income Statement.

In the case of available for sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. Where such evidence exists, the cumulative gain or loss that has been previously recognised directly in equity is removed from equity and recognised in the Income Statement. Reversals of impairment of equity shares are not recognised in the Income Statement, increases in the fair value of equity shares after impairment are recognised directly in equity.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as all other financial assets above. Reversals of impairment of debt instruments are recognised in the Income Statement.

2.12 Impairment of Non-Financial Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Additionally, assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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 costs to sell and value in use. Impairment test are performed on assets when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

2.13 Property, Plant and Equipment

All property, plant and equipment used by the parent or its subsidiaries is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are 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 of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Asset Class	Useful Lives
Motor vehicles	4 years
Office equipment	5 years
Furniture & fittings	5 years
Computer hardware & equipment	5 years
Building	40 years
Leasehold improvements	over shorter of the useful life of item or lease period

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review on an annual basis to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets.

When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment.

Payments in advance for items of property and equipment are included as Prepayments in "Other Assets" and upon delivery are reclassified as additions in the appropriate category of property and equipment.

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

2.14 Intangible Assets

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software

product are available; and

- The expenditure attributable to the software product during its development can be reliably measured.
- Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software development costs recognised as intangible assets are amortised on the straight-line basis over 5 years and are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when the carrying amount exceeds its recoverable amount.

(b) Impairment of Tangible and Intangible Assets Excluding Goodwill

At each reporting date, or more frequently where events or changes in circumstances dictate, tangible and intangible assets, are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount: the higher of the asset's or the cash-generating unit's net selling price and its value in use. Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets.

Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

The carrying values of tangible and intangible assets are written down by the amount of any impairment and this loss is recognised in the income statement in the period in which it occurs. A previously recognised impairment loss relating to a tangible or intangible asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the tangible or intangible asset's recoverable amount. The carrying amount of the tangible or intangible asset will only be increased up to the amount that it would have been had the original impairment not been recognised. For the purpose of conducting impairment reviews, cash-generating units are the lowest level at which the Directors monitor the return on investment on assets.

2.15 Employee Benefits

Defined contribution plan

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.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short-term employee benefits

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

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

2.16 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

2.17 Cash and Cash Equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.18 Share Capital

(a) Share issue costs

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

(b) Dividend on ordinary shares
Dividend on ordinary shares are recognised in equity in the period in which they are approved by the company's shareholders.

Dividend for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

Dividend proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act Cap C20 LFN 2014.

2.19 Earnings Per Share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the company by the weighted average number of shares outstanding during the period.

2.20 Issued Debt and Equity Securities

Issued financial instruments or their components are classified as liabilities where the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares. Issued financial instruments, or their components, are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the company. The components of issued financial instruments that contain both liability and equity elements are accounted for separately with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component.

2.21 Fiduciary Activities

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions.

2.22 Discontinued Operations

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

2. 23 Investment Properties

Investment properties are properties held to earn rentals and/or capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.24 Related Party Transactions

Transactions with related parties are conducted and recorded at arms' length and disclosed in accordance with IAS 24 "Related party disclosures".

3. New and revised IFRSs for 2015 annual financial statements and beyond

Amendments to IFRSs that are mandatorily effective for the year ended 31 December 2015
In the current year, the Company has applied a number of amendments to IFRSs and a new interpretation issued by the International Accounting Standards Boards (IASB) that are mandatorily effective for 2015 financial year

For December year-end entities, below is a list of the amendments to IFRSs that are mandatorily effective for their 2015 financial year:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
- Amendments to IFRSs *Annual Improvements to IFRSs 2010-2012 Cycle*
- Amendments to IFRSs *Annual Improvements to IFRSs 2011-2013 Cycle*

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
(Effective for annual periods beginning on or after 1 July 2014)
The amendments to IAS 19 clarify the accounting treatment for contributions from employees or third parties to a defined benefit plan. According to the amendments, discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plan specify contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they affect the remeasurement of the net defined benefit liability (asset).

- If contributions are linked to services, they reduce service costs. If the amount of contribution is dependent on the number of years of service, the entity should reduce service cost by attributing it to the contributions to periods of service using the attribution method required by IAS 19 paragraph 70 (for the gross benefits). If the amount of contribution is independent of the number of years of service, the entity is permitted to either reduce service cost in the period in which the related service is rendered, or reduce service cost by attributing the contributions to the employees' periods of service in accordance with IAS 19 paragraph 70.

Annual Improvements to IFRSs 2010 - 2012 Cycle
(Effective for annual periods beginning on or after 1 July 2014, except as detailed below)
The Annual Improvements include amendments to a number of IFRSs, which have been summarised below.

Standard	Subject of amendment	Details
IFRS 2 *Share-based Payment*	Definition of vesting condition	The amendment is to clarify the definition of vesting condition and market condition to ensure the consistent classification of conditions attached to a share-based payment. It also adds definitions for 'performance condition' and 'service condition' which were previously included as part of the definition of 'vesting condition'. Specifically, • For 'market condition', the amendment indicates that it is a performance condition that relates to the market price or value of the entity's equity instruments or the equity instruments of another entity in the same group. A market condition requires the counter party to complete a specified period of service. • For 'performance condition', the amendment specifies that the period over which the performance target is achieved should not extend beyond the service period and that it is defined by reference to the entity's own operations or activities of another entity in the same group. The amendment requires prospective application, i.e. entities should apply the amendment prospectively to share-based payment transactions for which the grant date is on or after 1 July 2014.
IFRS 3 *Business Combinations*	Accounting for contingent consideration in a business combination	The amendment clarifies that contingent consideration should be measured at fair value at each reporting date, irrespective of whether or not the contingent consideration falls within the scope of IFRS 9 or IAS 39. Changes in fair value (other than measurement period adjustments as defined in IFRS 3) should be recognised in profit and loss. The amendment to IFRS 3 requires prospective application, i.e. entities should apply the amendment prospectively to business combinations for which the acquisition date is on or after 1 July 2014.
IFRS 8 *Operating Segments*	(i) Disclosure about judgements involved in deciding whether or not to aggregate operating segments (ii) When reconciliation of the total of the reportable segments' assets to the entity's assets is required	The amendment (i) requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a brief description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments share similar economic characteristics; and (ii) clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if information about the amount of the segment assets are regularly provided to the chief operating decision-maker.

Standard	Subject of amendment	Details
IFRS 13 *Fair Value Measurement*	Short-term receivables and payables	The amendment to the basis for conclusions of IFRS 13 clarifies that the issuance of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short- term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. This amendment does not include any effective date because this is just to clarify the intended meaning in the basis for conclusions.
IAS 16 *Property, Plant and Equipment;* IAS 38 *Intangible Assets*	Revaluation method—proportionate restatement of accumulated depreciation (amortisation)	The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/ amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that ccumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
IAS 24 *Related Party Disclosures*	Key management personnel	The amendment clarifies that a management entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of compensation to key management personnel that is paid by the management entity to the management entity's employees or directors is not required.
IFRS 3 *Business Combinations*	Scope exceptions for joint ventures	The amendment clarifies that IFRS 3 does not apply to the accounting for the formation of joint arrangement in the financial statements of the joint arrangement itself.
IFRS 13 *Fair Value Measurement*	Scope of paragraph 52 (portfolio exception)	The amendment clarifies that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.
IAS 40 *Investment Property*	Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property	The amendment clarifies that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring an investment property must determine whether: (a) the property meets the definition of investment property in accordance with IAS 40; and (b) the transaction meets the definition of a business combination in accordance with IFRS 3. An entity should apply the amendment prospectively for acquisitions of investment property from the beginning of the first period for which it adopts the amendment. Consequently, accounting for acquisitions of investment property in prior periods should not be restated. However, an entity may choose to apply the amendment to individual acquisitions of investment property that occurred prior to the beginning of the first annual period occurring on or after the effective date (i.e. 1 July 2014) if and only if information needed to apply the amendment to earlier transactions is available to the entity.

New and revised IFRSs that are not mandatorily effective (but allow early application) for the year ended 31 December 2015

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the year ending 31 December 2015:

- IFRS 9 *Financial Instruments;*
- IFRS 14 *Regulatory Deferral Accounts;*
- IFRS 15 *Revenue from Contracts with Customers;*
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations;*
- Amendments to IAS 1 *Disclosure Initiative;*
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation;*
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants;*
- Amendments to IAS 27 *Equity Method in Separate Financial Statements;*
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception; and*
- *Annual Improvements to IFRSs 2012-2014 Cycle*.

i. IFRS 9 Financial Instruments (as revised in 2014)
(Effective for annual periods beginning on or after 1 January 2018)
In July 2014, the IASB finalised the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.

Phase 1: Classification and measurement of financial assets and financial liabilities
With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced; all recognised financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortised cost or fair value under IFRS 9. Specifically:

- A debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.

- A debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option.

- All other debt instruments must be measured at FVTPL.

- All equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognised in profit or loss except that if an equity investment is not held for trading, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognised in profit or loss.

IFRS 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major change from IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

Phase 2: Impairment Methodology
The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

Phase 3: Hedge Accounting
The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The work on macro hedging by the IASB is still at a preliminary stage - a discussion paper was issued in April 2014 to gather preliminary views and direction from constituents with a comment period, which ended on 17 October 2014. The project is under redeliberation at the time of writing.

Transitional Provisions
IFRS 9 (as revised in 2014) is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. If an entity elects to apply IFRS 9 early, it must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. The presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
2. Hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

An entity may early apply the earlier versions of IFRS 9 instead of the 2014 version if the entity's date of initial application of IFRS 9 is before 1 February 2015. The date of initial application is the beginning of the reporting period when an entity first applies the requirements of IFRS 9.

IFRS 9 contains specific transitional provisions for i) classification and measurement of financial assets; ii) impairment of financial assets; and iii) hedge accounting. Please see IFRS 9 for details.

ii. IFRS 14 Regulatory Deferral Accounts
(Effective for first annual IFRS financial statements with annual periods beginning on or after 1 January 2016)
IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

IFRS 14 is effective for an entity's first annual IFRS financial statements for annual periods beginning on or after 1 January 2016, with earlier application permitted.

iii. IFRS 15 Revenue from Contracts with Customers
(Effective for annual periods beginning on or after 1 January 2018)

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date:

- IAS 18 *Revenue;*
- IAS 11 *Construction Contracts;*
- IFRIC 13 *Customer Loyalty Programmes;*
- IFRIC 15 *Agreements for the Construction of Real Estate;*
- IFRIC 18 *Transfers of Assets from Customers; and*
- SIC 31 *Revenue-Barter Transactions Involving Advertising Services.*

As suggested by the title of the new revenue Standard, IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments,* if IFRS 9 is early adopted).

As mentioned above, the new revenue Standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should 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.

The new revenue Standard introduces a 5-step approach to revenue recognition and measurement:

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Far more prescriptive guidance has been introduced by the new revenue Standard:

- Whether or not a contract (or a combination of contracts) contains more than one promised good or service, and if so, when and how the promised goods or services should be unbundled.

- Whether the transaction price allocated to each performance obligation should be recognised as revenue over time or at a point in time. Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied, which is when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Unlike IAS 18, the new Standard does not include separate guidance for 'sales of goods' and 'provision of services'; rather, the new Standard requires entities to assess whether revenue should be recognised over time or a particular point in time regardless of whether revenue relates to 'sales of goods' or 'provision of services'.

- When the transaction price includes a variable consideration element, how it will affect the amount and timing of revenue to be recognised. The concept of variable consideration is broad; a transaction price is considered variable due to discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties and contingency arrangements. The new Standard introduces a high hurdle for variable consideration to be recognised as revenue – that is, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

- When costs incurred to obtain a contract and costs to fulfil a contract can be recognised as an asset.

iv. Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
(Effective for annual periods beginning on or after 1 January 2016)
The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

Entities should apply the amendments prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. Earlier application is permitted.

v. Amendments to IAS 1 Disclosure Initiative
(Effective for annual periods beginning on or after 1 January 2016)
The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgment. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.
- In the other comprehensive income section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following items:
- the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and
- the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted. Application of the amendments need not be disclosed.

vi. Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
(Effective for annual periods beginning on or after 1 January 2016)
The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

vii. Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
(Effective for annual periods beginning on or after 1 January 2016)
The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted. As a transitional provision, entities need not disclose the quantitative information required by paragraph 28(f) of IAS 8 for the current period. However, quantitative information for each prior period presented is still required. Also, on the initial application of the amendments, entities are permitted to use the fair value of items of bearer plant as their deemed cost as at the beginning of the earliest period presented. Any difference between the previous carrying amount and fair value should be recognised in opening retained earnings at the beginning of the earliest period presented.

viii. Amendments to IAS 27 Equity Method in Separate Financial Statements
(Effective for annual periods beginning on or after 1 January 2016)
The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- at cost,
- in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or
- using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures.*

The same accounting must be applied to each category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

ix. Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
(Effective for annual periods beginning on or after 1 January 2016)
The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.
- Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments apply prospectively to transactions occurring in annual periods beginning on or after 1 January 2016 with earlier application permitted. In the June 2015 IASB meeting, the IASB tentatively decided to defer the mandatory effective date of these amendments. No exposure draft has yet been issued at the time of writing.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
(Effective for annual periods beginning on or after 1 January 2016)
The amendments clarify that the exemption from preparing consolidated 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. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further 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.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

Annual Improvements to IFRSs 2012 - 2014 Cycle
(Effective for annual periods beginning on or after 1 January 2016)
The Annual Improvements include amendments to a number of IFRSs, which have been summarised below.

Standard	Subject of amendment	Details
IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	Changes in methods of disposal	The amendment introduces specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendment clarifies that such a change is considered as a continuation of the original plan of disposal and accordingly an entity should not apply paragraphs 27-29 of IFRS 5 regarding changes to a plan of sale in those situations.
IFRS 7 *Financial Instruments: Disclosures* (with consequential amendments to IFRS 1)	(i) Servicing contracts (ii) Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements	The amendment provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets. Also, the amendment clarifies that the offsetting disclosures are not specifically required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to satisfy the requirements in IAS 34 *Interim Financial Reporting*.
IAS 19 *Employee Benefits*	Discount rate: regional market issue	The amendment clarifies that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The basis for conclusions to the amendment also clarifies that the depth of the market for high quality corporate bonds should be assessed at a currency level which is consistent with the currency in which the benefits are to be paid. For currencies for which there is no deep market in such high quality bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency should be used.
IAS 34 *Interim Financial Reporting*	Disclosure of information included 'elsewhere in the interim financial report'	The amendment clarifies the requirements relating to information required by paragraph 16A of IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendment requires that such information to be included either in the interim financial statements or incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the company do not anticipate that the application of these amendments will have a material effect on the financial statements.

4 RISK MANAGEMENT

4.1 Introduction and Overview

Effective capital and risk management is fundamental to the business activities of United Capital Plc ("the Group").

The Group's enterprise risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of all risks types inherent in our business activities. The risk management framework provides for a culture of risk awareness and personal responsibility throughout the Group in a manner that encourages collaboration, discussion, escalation and sharing of information.

Risk is defined as the potential for loss caused by an event (or series of events) that can adversely affect the achievement of the group's objectives (including the protection of existing assets and enhancement of future growth objectives).

Risks are controlled at the individual exposure level as well as in aggregate within and across all business lines, entities and risk types. Overall, the Group's objective is to achieve an appropriate balance between risk and reward; and to continue to build and enhance risk management capabilities that assist to deliver our growth plans within a controlled environment.

Risk management is embedded at the core of the operating structure of the Group. The Group adopts the three lines of defense model (described below) in limiting adverse variations to earnings and capital by managing risk exposures within agreed levels of risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources.

Responsibility and accountability for risk management resides at all levels within the group - from the Board to each business manager and risk specialist. The overall responsibility for risk and capital management rests with the Board of Directors. Within the governance structure, the Board has two sub-committees that enable it to evaluate the risks faced by the group and the effectiveness of the group's management of these risks. The Board relies on quarterly reports from these committees and attestations from business executives, senior risk managers and the group's internal audit and internal control, to satisfy itself that the group's risk management processes are fit for purpose and are operating effectively

Our risk management processes have continued to prove effective. During the year under review, the business activities of the group have been managed within board-approved risk appetite. Executive management remained closely involved in important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, operational effectiveness, process integrity and effectively managing the risk portfolios.

4.1 Introduction and Overview

Three Lines of Defense Model:

The group adopts the 3 lines of defense model. Reporting lines reinforce the segregation of duties and independence within the model:

	Functions	Responsibilities
1st Line of Defence	Business line and legal entity management	As the point of contact, they have primary responsibility for risk management. The process of assessing, measuring and controlling risks is on-going and integrated in the day-to-day activities of the business through business and risk frameworks set by the second line of defence.
2nd Line of Defence	Consists of specialist roles: finance function; Risk management function; Legal function; the governance and assurance functions (excluding internal audit)	The second line of defence functions are responsible for setting frameworks within the parameters set by the Board; and report to the board governance committees. They implement the group's risk management framework and policies, approve risk within specific mandates and provide an independent overview of the effectiveness of risk management by the first line of defence.
3rd Line of Defence	Internal Audit	They set the internal audit framework and provide an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures, and reports to the board through the Audit & Governance committee.

Risk Categories

The risk types that the group is exposed to within its business operations are defined below. The definitions are consistent with the group's risk culture and language

4.2.1 Credit Risk

Credit risk is the risk of loss from obligor or counterparty default on financial or contractual obligations. Credit risk comprises counterparty risk, settlement risk and concentration risk. These risk types are defined as follows:

Counterparty risk: The risk of credit loss to the group as a result of the failure by a counterparty to meet its financial and/or contractual obligations to the group as they fall due. This risk type has three components:

i. Primary credit risk: The exposure at default arising from lending and related investment product activities (including their underwriting).
ii. Pre-settlement credit risk: The exposure at default arising from unsettled forward and derivative transactions. This risk arises from the default of the counterparty to the transaction and is measured as the cost of replacing the transaction at current market rates.
iii. Issuer risk: The exposure at default arising from traded credit and equity products (including the primary market issue underwriting of these products).

Settlement risk: Settlement is the exchange of two payments or the exchange of an asset for a payment. Settlement risk represents the risk of loss to the group from settling a transaction where value is exchanged, but where the group may not receive all or part of the counter value

Credit concentration risk: The risk of loss to the group as a result of excessive build-up of exposure to, among others, a single counterparty or counterparty segment, an industry, a market, a product, a financial instrument or type of security, a country or geography, or a maturity. This concentration typically exists where a number of counterparties are engaged in similar activities and have similar characteristics, which could result in their ability to meet contractual obligations being similarly affected by changes in economic or other conditions

4.2.2 Country Risk

The Group defines country risk to include cross-border risk. Country risk is the risk of loss arising where political or economic conditions or events in a particular country inhibit the ability of counterparties resident in that country to meet their financial obligations. Country risk events may include sovereign defaults, banking or currency crises, social instability and governmental policy changes or interventions such as expropriation, nationalization and asset confiscation. Transfer and convertibility risk (such as exchange controls and foreign debt moratoria) represent an important element of cross-border country risk.

4.2.3 Liquidity Risk

Liquidity risk arises when the group, despite being solvent, is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due, and/or can only do so on materially disadvantageous terms. This may arise when counterparties who provide the group with funding withdraw or do not roll over that funding, or as a result of a general disruption in asset markets that renders normally liquid assets illiquid.

Liquidity risk encompasses both funding liquidity risk and asset liquidity risk:

i. Funding liquidity risk (also referred to as cash-flow risk) is defined as the risk that a financial institution will be unable to raise the cash necessary to roll over its debt; to fulfill the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals.

ii. Asset liquidity risk (also referred to as market or trading liquidity risk) results from a large position size forcing transactions to influence the price of securities. This is managed by establishing position limits on assets (especially assets that are not heavily traded).

4.2.4 Market Risk

Market risk is the exposure to an adverse change in the market value, earnings (actual or effective) or future cashflows of a portfolio of financial instruments (including commodities) caused by adverse movements in market variables such as equity, bond and commodity prices; currency exchange and interest rates; credit spreads; recovery rates and correlations; as well as implied volatilities in these variables.

4.2.5 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes business risk, information and legal risk; but excludes reputational risk.

Business risk: is the risk of loss, due to operating revenues not covering operating costs and is usually caused by:

- inflexible cost structures;
- market-driven pressures, such as decreased demand, increased competition or cost increases;
- group-specific causes, such as a poor choice of strategy, reputational damage or the decision to absorb costs or losses to preserve reputation.

It includes strategic risk, which is the risk that the group's future business plans and strategies may be inadequate to prevent financial loss or protect the group's competitive position and shareholder value.

4.2.6 Reputational Risk

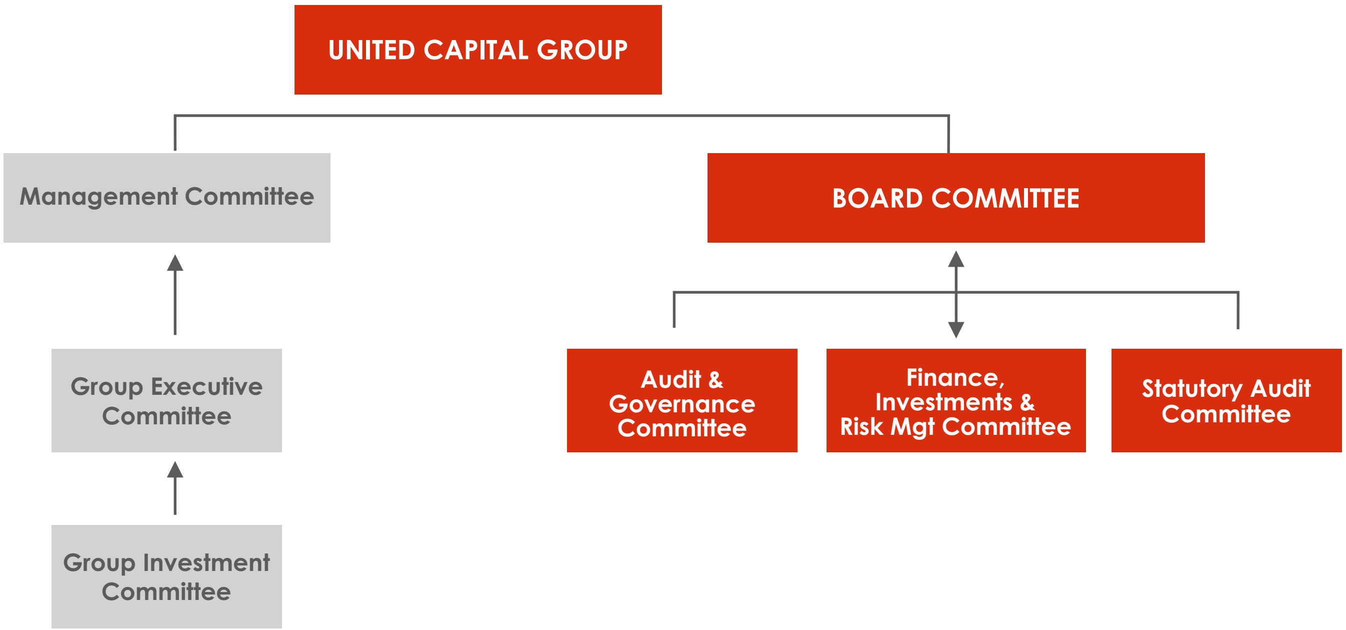
Reputational risk results from damage to the group's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.

4.3 Risk Management Framework

4.3.1 Governance Structure

Strong independent oversight is in place at all levels throughout the group. The risk governance structure is based on the principle that each line of business is responsible for managing the risks inherent in its business, albeit with appropriate corporate oversight. In support of this framework, business risk policies are approved to guide each line of business for decisions regarding the business' risk strategy, policies as appropriate and controls.

Risk Management reports independently of the lines of business to provide oversight of group-wide risk management and controls, and is viewed as a partner in achieving appropriate business risk and reward objectives. Risk Management coordinates and communicates with each line of business through the group executive committee and business line governance committees. The chief risk officer (Head, Risk Management) is a member of the business line governance committees (which also has the business line chief executive officer as a member).



4.3.2 Risk Governance Process

The Group has established a practical risk governance process that relies on both individual responsibility and collective oversight, supported by comprehensive and independent reporting. This approach balances strong corporate oversight at group level with participation by the senior executives of the Group in all significant risk matters. This also supports the effectiveness of the three lines of defense system as business line managers are kept abreast of inherent and emerging risks related to their respective business lines

The governance committees are a key component of the risk management framework. They have clearly defined mandates and authorities, which are reviewed regularly. Board members review business strategies and ongoing achievement of risk and business objectives at least quarterly. This is achieved by means of formal reporting by respective business and governance units within the Group; as well as interviews/testimonials from key senior business and support executives

Management committees meet at least monthly to review the business environment, execute strategy revalidation, and are focused on measuring, monitoring and managing risk. The Group Investment Committee is charged with the asset/liability management, as well as ongoing capital and liquidity risk management of the Group and individual business entities; as well as the review and risk analysis of investment and/or new product/business proposals from business units (either due to the type of product/investment or the size/risk profile of the transaction). All approvals are executed in line with clearly defined authority levels (e.g. new business product/service lines must be approved by the Board on recommendation of the Finance, Investments and Risk Management committee).

Business line governance committees are constituted in line with the nature and risk of specific business activities. Business (line) risk framework/policies defined by the Group Risk Management function may prescribe the establishment of a business line governance committee to guide the strategy/operation of specific business lines (for instance: proprietary trading activities). Business line governance committees typically have membership from independent research, risk management, internal control and business line managers. These committees typically meet weekly (or as otherwise defined in specific business risk policy). Business risk frameworks define the risk appetite for the specific business lines amidst capital allocated for the business operation. In aggregate, the Group seeks to maintain a low-moderate risk appetite

The Board establishes and maintains oversight of the Group's risk appetite by:

i. providing strategic leadership and guidance;
ii. reviewing and approving annual budgets and forecasts, under both normal and stressed conditions, for the Group and each business unit; and
iii. regularly reviewing and monitoring the group's risk performance through quarterly board reports.

The Group's ERM framework stipulates the following terms, which have specific meaning within the group and guide risk management considerations:

i. Residual risk: the leftover risk exposure after implementation of mitigation efforts and controls;
ii. Risk appetite: the amount or type of residual risk that the Group is prepared to accept to deliver on its financial/business objectives. It reflects the capacity to sustain losses and continue to meet obligations as they fall due, under both normal and a range of stress conditions;
iii. Risk tolerance: the maximum amount or type of risk the Group is prepared to tolerate above stipulated risk appetite levels for short periods of time (based on the understanding that management action is taken to get back within risk appetite);
iv. Risk capacity: the maximum amount of risk the Group is able to support within its available financial resources;
v. Risk profile: the amount or type of risk the group holds at a specific point in time;
vi. Risk tendency: is defined as a forward-looking view of the anticipated change in the group's risk profile as a result of portfolio effects and/or changes in economic conditions. Changes in economic conditions may either be in the form of formally approved macroeconomic stress scenarios or ad-hoc stress scenarios models.

The Group runs a Group Shared Service operations process supported by an Enterprise Resource Platform system. Risk Management is supported by risk technology and operations functions that are responsible for building the information technology infrastructure used to monitor and manage risk group-wide and at respective business line and entity levels. Risk Management has oversight of all risk types (excluding Legal risk which is managed by the Legal and Compliance; and Reputational risk which is under the oversight of the Group Chief Operating Officer).

4.3.3 Credit Risk Management

Credit risk is the risk of loss from obligor or counterparty default on financial or contractual obligations. The Group may be exposed to credit risk arising primarily from trading activities (including debt securities), settlement balances with market counterparties, available for sale assets and reverse repurchase lending agreements. Other sources include wholesale credit to large corporate and institutional clients (on a restrictive basis).

Credit risk management is overseen by the group risk management function and implemented within the lines of business; with oversight by the management and board committees. The Group's credit risk management governance consists of the following objectives:

- Establish a robust risk policy and control framework
- Maintain a strong culture of responsible investing
- Identify, assess and measure credit risk across the Group, from the level of individual securities and counterparties; up to aggregate portfolio holdings
- Define, implement and continually re-evaluate business risk appetite under actual and scenario conditions
- Monitoring and managing credit risk across individual exposures and all portfolio segments
- Assigning and ensuring adherence to agreed controls
- Ensure there is independent, expert analysis of credit risks and their mitigation

	AAA N'000	AA N'000	A N'000	BBB N'000	Not rated N'000	Carrying amount N'000
Cash and cash equivalents	-	-	2,503,609	70,232,774	-	72,736,383
Treasury bills	4,637,788	-	-	-	-	4,637,788
Federal government bonds	5,592,333	-	-	-	-	5,592,333
State government bonds	-	-	4,660,392	6,990,589	-	11,650,981
Corporate bonds	-	-	7,356,307	-	-	7,356,307
Loans and receivables	-	-	8,392,912	16,446,988	6,016,289	30,856,189
Other assets	-	-	-	-	3,418,928	3,418,928
Total	**10,230,121**	**-**	**22,913,219**	**93,670,351**	**9,435,217**	**136,248,909**

* Other Assets represent settlement risk exposure (as at the balance sheet date) to trade debtors and other counterparties in the normal course of business.

* All credit exposures are neither past due nor impaired.

Risk Identification and Measurement

The Group is exposed to credit risk through its capital and money market activities and advisory services businesses. Risk Management works in partnership with the business segments in identifying and aggregating exposures across all lines of business.

The group dedicates considerable resources to gaining a clear and accurate understanding of credit risk across the business and ensuring that its balance sheet correctly reflects the value of the assets in accordance with IFRS

To measure credit risk, the group employs several methodologies for estimating the likelihood of obligor or counterparty default. In the year under review, credit risk exposure was quantified on the basis of both adjusted exposure and absolute exposure. External credit ratings are considered in evaluating probability of default. The enterprise risk management framework recognizes credit ratings from Basel recognized External Credit Assessment Institutions (ECAI) and Agusto & Co. Ltd. External ratings are often internally adjusted for prudence. The Group regularly validates the performance of ratings and their predictive power with regard to default events

Primary credit risk arising from debt exposure is measured in accordance with the accounting value for outstanding exposure, including applicable accrued interest and gross of any specific credit impairments, and a measure of the expectation of additional exposure which may arise at default. Debt portfolios are structured to have an investment grade profile.

Wholesale credit risk exposure, where it exists, is monitored regularly at an aggregate portfolio, industry and individual counterparty basis with established concentration limits that are reviewed and revised, as deemed appropriate by group investment committee, at least on an annual basis. Industry and counterparty limits, as measured in terms of exposure and economic credit risk capital, are subject to stress-based loss constraints. Management of the group's wholesale credit risk exposure is accomplished through a number of means including: stringent loan underwriting and credit approval process; as well as collateral and other risk-reduction techniques. Wholesale credit exposure is at a minimum reviewed and approved at the level of the group investment committee.

Risk Identification and Measurement

Pre-settlement risk is measured on a potential future exposure basis, taking into account implicitly the liquidity and explicitly the volatility of the reference asset or price of the instrument or product and the tenor of the exposure. Instruments that give rise to issuer credit risk are measured as primary credit risk

Settlement risk is measured on a notional basis, assuming that the counter value will not be received. The daily settlement profile for the counterparty concerned is the aggregate of all settlements due by the counterparty on that date, either on a gross or net basis, depending on whether the underlying transaction agreements include netting or not.

Risk Monitoring and Management

The Group employs the use of internal exposure limits to its counterparties. Money market counterparties are selected on using a set of criteria that includes an investment grade credit rating and a systemic risk relevance based on a benchmark hurdle rate. Exposure limits are assigned on the basis of the counterparty assessment based on these selection criteria.

The Group has developed policies and practices that are designed to preserve the independence and integrity of the approval and business decision-making process to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels.

The framework establishes credit approval authorities, concentration limits, risk-rating methodologies, and portfolio review parameters. The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries, geographies and countries.

Impairment allowances are recognized for financial reporting purposes only for losses that have been incurred at the date of the consolidated statement of financial position based on objective evidence of impairment.

Risk reporting
To enable monitoring of credit risk and effective decision making, aggregate credit exposure, credit quality forecasts, concentration levels and risk profile changes are reported regularly to the management committees; and board committee at least quarterly. Stress testing is important in measuring and managing credit risk in the group's business portfolios. The process assesses the potential impact of alternative economic and business scenarios on estimated credit losses for the group. In conjunction with independent research, the risk management function considers economic scenarios (and parameters underlying those scenarios) which may lead to credit migration, changes in counterparty liquidity and/or solvency states and the potential losses from credit exposures. During the period under review, credit exposures are considered on the basis of absolute loss exposure impact.

4.3.4 Country Risk Management

Country risk is the risk that a political, economic or sovereign event or action alters the value or terms of contractual obligations of obligors, counterparties and issuers related to a country.

The Financial Investment and Risk Management (F.I.R.M) committee is responsible for the management of country risk across the Group. The F.I.RM committee delegates the functional oversight of country risk management to the group executive committee. The group risk management function maintains oversight of country risk exposures and reports to the group executive committee monthly and the F.I.RM committee on a quarterly basis.

Risk Identification and Measurement
The group country risk governance standards incorporate the use of external ratings from qualifying ECAIs. Country risk exposure management is based on country, sovereign and business environment risk assessment. Exposure in countries qualifying as medium and high-risk countries is subject to increased analysis and monitoring

Country exposures are generally measured by considering the group's risk to an immediate default of the counterparty or obligor, with zero recovery. Where required, the group seeks to incorporate country risk mitigation via methods like co-financing with multilateral institutions; political and commercial risk insurance; transaction structures to mitigate transferability and convertibility risk (such as collateral, collection and margining deposits outside the jurisdiction in question)

Risk Monitoring and Control
Group risk management in conjunction with independent research employs the use of surveillance tools for early identification of potential country risk concerns. Country ratings and exposures are actively monitored and reported on a regular basis based on an assessment of potential risk of loss associated with a significant sovereign, political, social, or economic crisis

Liquidity risk management is intended to ensure that the Group has the appropriate amount, composition and tenor of funding and liquidity to support its assets.

The primary objectives of effective liquidity management are to ensure that the Group's legal entities are able to operate in support of client needs and meet contractual and contingent obligations under both normal and stressed market conditions; as well as to maintain debt ratings that enable the Group to optimize its funding mix and liquidity sources at minimal cost.

United Capital manages liquidity and funding using a centralized Treasury approach in order to actively manage liquidity for the group as a whole, monitor exposure and identify constraints on the transfer of liquidity within the Group; and maintain the appropriate amount of surplus liquidity as part of the Group's overall balance sheet management strategy.

Risk Identification and Measurement
In the context of the Group's liquidity management, Treasury is responsible for:
- Measuring, managing, monitoring and reporting the Firm's current and projected liquidity sources and uses;
- Managing funding mix and deployment of excess short -term cash

In addition, in conjunction with the group risk management function, Treasury is also responsible for:
- Understanding the liquidity characteristics of the Firm's assets and liabilities;
- Defining and monitoring group-wide and legal entity liquidity strategies and contingency funding plans;
- Liquidity stress testing under a variety of adverse scenarios;
- Defining and addressing the impact of regulatory changes on funding and liquidity.

The Group adopts a three-pronged approach to its liquidity risk management process which aligns strategies to liquidity risk categories. The Group recognizes three categories of liquidity risk - short-term, structural, and contingent liquidity risk. These three liquidity risk management categories are governed by a comprehensive internal governance framework to identify, measure and manage exposure to liquidity risk.

Treasury, in conjunction with the group risk management, is responsible for business activities governing the implementation of the Group's liquidity management process:

Category	
Short term liquidity risk management	■ Monitor daily cash-flow requirements ■ Manage intra-day liquidity positions ■ Monitor repo and bank funding shortage levels ■ Manage short term cash-flows ■ Manage daily foreign currency liquidity ■ Provide guidance on fund taking rates in conformity with longer term and contingent liquidity requirements (as informed by the management committees)
Structural liquidity risk management	■ Identify and manage medium to long term liquidity mismatches ■ Ensure a structurally sound balance sheet ■ Manage long term cash-flows ■ Determine and apply behavioural profiling to investor portfolios (in conjunction with asset portfolio managers) ■ Preserve a diversified funding base ■ Assess foreign currency liquidity exposures ■ Establish liquidity risk appetite
Contingency liquidity risk management	■ Establish and maintain contingency funding plans ■ Monitor and manage early warning liquidity indicators ■ Ensure regular liquidity stress tests and scenario analysis ■ Establish liquidity buffer levels in conformity with anticipated stress events ■ Convene liquidity crisis management committees (as required) ■ Ensure diversification of liquidity buffer portfolios

Risk Monitoring and Control
Monitoring and reporting entails cash flow measurement and forecasting for the next day, week, biweekly, month, quarter, half-year and yearly as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected receivable date of the financial assets.

4.3.5 Liquidity Risk Management

Foreign currency liquidity risk management
The Group maintains active monitoring and management of foreign currency assets and liabilities using suitable indicators to consistently track changes in market liquidity and/or exchange rates. In general, uncovered or unmatched or un-hedged FX positions shall is restricted.

Funding
The Group is funded primarily by a well-diversified mix of retail, corporate and public sector funds. This funding base ensures stability and low funding cost with minimal reliance on more expensive tenured deposit and loan markets. The Group places considerable importance on the Sinking Fund Portfolio and other managed funds from both Trusteeship and wealth management business.

The Group employs a diversified funding strategy to fund its balance sheet, which incorporates a coordinated approach to accessing capital and loan markets (where necessary). Funding markets are evaluated on an ongoing basis to ensure appropriate Group funding strategies are executed depending on the market, competitive and regulatory environment.

Concentration risk limits are used within the Group to ensure that funding diversification is maintained across products, sectors, geography and counterparties.

Non-derivative financial liabilities and assets held for managing liquidity risk
Presented in the table below are the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in the table below, are the contractual undiscounted cash flow and the assets held for managing liquidity risk.

Stress Testing
Liquidity stress tests are intended to ensure sufficient liquidity for the Group under adverse scenarios. Stress tests are considered in the formulation of the group's funding plan and assessment of its liquidity position. Liquidity outflow assumptions are modeled across a range of time horizons and market and idiosyncratic stress.

Liquidity stress tests assume all of the Group's contractual obligations, as well as estimates of potential non-contractual and contingent outflows are met and also take into consideration varying levels of access to unsecured and secured funding markets.

Credit Ratings
The cost and availability of financing are influenced by the group's credit ratings. Reductions in these ratings could have an adverse effect on the Group's access to liquidity sources, increase the cost of funds, trigger additional collateral or funding requirements and decrease the number of investors and counterparties willing to lend to the Group. Accordingly the Group places due emphasis on maintaining and improving its credit rating.

Credit ratings are dependent on multiple factors including the sovereign rating, capital adequacy levels, quality of earnings, credit exposure, our risk management framework and funding diversification. The Group's F.I.RM committee ensures proper monitoring of these parameters and their possible impact on our credit rating as part of the group's liquidity risk management and contingency planning considerations.

4.3.6 Market Risk Management

Market risk is the exposure to an adverse change in the market value of portfolios and financial instruments caused by a change in their market prices

The Group's exposure to market risks is categorized as follows:

- Market risk in trading activities: trading activities, which may comprise market making, arbitrage and proprietary trading. These activities are primarily carried out within the Group's securities trading business
- Interest rate risk on the balance sheet: this refers to risks inherent in the different re-pricing characteristics of balance sheet assets and liabilities. These may include re-pricing risk, basis risk, yield curve risk, and optionality risk.
- Equity investments on the balance sheet: this refers to risks resulting from price changes in listed and unlisted equity investments carried on the Group's balance sheet. These investments are typically classified as Available for Sale (AFS).
- Foreign currency risk: The Group may be exposed to foreign currency risk as a result of foreign-denominated cash exposures and accruals

In managing market risks, the Group risk management function works in close partnership with the lines of business, including Treasury, to identify and monitor market risks throughout the Group. The Group's market risk management practices seek to control risk, facilitate efficient risk/return decisions, reduce volatility in operating performance, and provide transparency of the Group's market risk profile to executive management and the Board of Directors. This involves:

- Establishing a market risk management framework

- Independent measurement, monitoring and control of business line and group wide market risk in accordance to approved risk limits

- Qualitative risk assessments and stress tests"

Risk Identification and Measurement
The risk management function articulates market risk management framework and specific business (line) risk frameworks that guide each line of business in the management of the market risks within its unit. The risk management function also responsible for independent oversight of each line of business to ensure that all material market risks are appropriately identified, measured, monitored and managed in accordance with framework guidelines approved.

The Group risk management function uses various metrics, both statistical and non-statistical, to measure and manage market risks including: value-at-risk; stop-loss triggers; stress tests; back-testing; and specific business unit portfolio and product controls

Value-at-risk, a statistical risk measure,is used to measure the potential loss from adverse market moves under normal market conditions. Historical VaR simulation is used specifically for market risk under normal conditions. Where adopted historical VaR is be based un-weighted historical data for the previous 12 months, a holding period of one day and a 99% confidence level. Daily VaR estimates are converted to a ten-day holding period. Expected shortfall is quantified to counteract the limitations of VaR.

Stop-loss triggers are used to protect the profitability of trading desks, and refer to cumulative or daily trading losses that prompt a review or close-out of positions in trading portfolios.

Specific business unit portfolio and product controls are market risk controls applied to specific business units. These may include permissible instruments, concentration of exposures, gap limits, maximum tenor, stop loss triggers, price validation and balance sheet substantiation. In addition, only approved products that can be independently priced and properly processed are permitted to be traded.

In recognition of the unpredictability of markets, stress testing is adopted to provide an indication of the potential losses that could occur under extreme market conditions and where longer holding periods may be required to exit positions.

Stress tests carried out by the Group include individual market risk factor testing, combination of market risk factor testing, combination of market factors per trading desk and combinations of trading desks. The testing considers both historical market events and hypothetical forward-looking scenarios. A consistent stress-testing methodology is applied to trading and non-trading books. Stress scenarios are regularly updated to reflect changes in risk profile and economic events.

Interest rate risks in trading and non-trading portfolios are quantified using both earnings- and valuation-based measurement techniques. This is monitored at least on a monthly basis by the Group investment committee.

Foreign currency risk exposure may arise as a result of foreign-denominated cash exposures, foreign-denominated accruals, the translation effect on the group's net assets in foreign operations, and foreign-denominated debt. The finance/treasury function maintains oversight of aggregate foreign currency risk exposure, taking into account naturally offsetting risk positions and managing the group's residual risk. In general, the Group's policy is not to ordinarily hold significant open FX exposures on the balance sheet. The risk management function conducts foreign currency sensitivity tests to monitor potential impact from rate movements in the FX markets

The Group's market risk management process ensures disciplined risk-taking within a framework of well-defined risk appetite that enables the group to boost shareholders value while maintaining competitive advantage through effective utilization of risk capital.

Equity risk
The Group holds investments in listed and unlisted securities. Listed equity securities (quoted on the Nigerian Stock Exchange) is exposed to movement based on the general movement of the all share index and movement in prices of specific securities held by the Group.

Risk Monitoring and Control
Market risk is controlled primarily through a series of limits set in the context of the market environment and business strategy. In setting limits, the Group takes into consideration factors such as market volatility, asset liquidity and accommodation of client business and management experience.

Limits may also be allocated within the lines of business, as well at portfolio level. Limits are established by risk management. Limits are reviewed regularly and updated as appropriate, with any changes approved by appropriate governance committees and risk management.

4.3.7 Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events.

Operational risk is inherent in each of the Group's businesses and support activities. Operational risk can manifest itself in various ways, including errors, fraudulent acts, business interruptions, inappropriate behavior of employees, or vendors that do not perform in accordance with their arrangements. These events could result in financial losses, including litigation and regulatory fines, as well as other damage to the Group, including reputational harm.

To monitor and control operational risk, the Group maintains an overall framework that includes strong oversight and governance, comprehensive policies and processes, consistent practices across the lines of business, and enterprise risk management tools intended to provide a sound and well controlled operational environment. The framework includes:

- Ownership of the risk by the businesses and functional areas
- Monitoring and validation by internal control officers
- Oversight by independent risk management
- Independent review by Internal Audit

The goal is to keep operational risk at appropriate levels, in light of the group's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment to which it is subject.

In order to strengthen focus on the Group's control environment and drive consistent practices across businesses and functional areas, the Group established a Group shared service operational platform in the financial year. Critical to the effectiveness, efficiency and stability of this operating environment is the deployment and implementation of suitable technology leveraging an Enterprise Resource Platform. In addition, the Group has invested in the development of business continuity plans, systems and capabilities to ensure resilience and stability of our business operations in the face of unforeseen disruptions.

The Group's approach to operational risk management is intended to identify potential issues and mitigate losses by supplementing traditional control-based approaches to operational risk with risk measures, tools and disciplines that are risk-specific, consistently applied and utilized group-wide. Key themes are transparency of information, escalation of key issues and accountability for issue resolution.

The Group has a process for monitoring operational risk event data, which permits analysis of errors and losses as well as trends. Such analysis performed both at a line of business level and by risk-event type, enables identification of the causes associated with risk events faced by the businesses.

Internal Audit utilizes a risk-based program of audit coverage to provide an independent assessment of the design and effectiveness of key controls over the Group's operations, regulatory compliance and reporting. This includes reviewing the operational risk framework, the effectiveness of the internal control environment, and the loss data-collection and reporting activities.

Business and Strategic risks are governed by the Group Executive Committee - which is ultimately responsible for managing the costs and revenues of the Group, and the Board.

Financial crime control
Financial crime includes fraud, money laundering, violent crime and misconduct by staff, customers, suppliers, business partners, stakeholders and third parties. The Group will not condone any instance of financial crime and where these instances arise, the group takes timely and appropriate remedial action.

Financial crime control is defined as the prevention and detection of, and response to, all financial crime in order to mitigate economic loss, reputational risk and regulatory sanction. This function is anchored by the Group's compliance, operations, internal control and internal audit functions.

4.3.8 Reputational Risk

Reputational risk results from damage to the Group's image, which may impair its ability to retain and generate business. Such damage may result in a breakdown of trust, confidence or business relationships.

Safeguarding the Group's reputation is of utmost importance. Each business line, legal entity or support function executive is responsible for identifying, assessing and determining all reputational risks that may arise within their respective areas of business. The impact of such risks is considered alongside financial or other impacts.

Matters identified as a reputational risk to the Group are reported to the Group Chief Operating Officer and head, audit and business assurance; if required, the matter will be escalated to Group executive committee

Should a risk event occur, the Group's crisis management processes are designed to minimize the reputational impact of the event. This includes ensuring that the Group's perspective is fairly represented.

4.3.9 Capital Management

The Group's capital management approach is driven by its strategic and organisational requirements, taking into account the regulatory and commercial environment in which it operates. It is the Group's policy to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. Capital management practices are designed to ensure that the group and its legal entities are capitalized in line with the risk profile, economic capital needs and target ratios approved by the board. Capital is managed under a seven-year sustainability framework, which ensures the adequacy of regulatory capital despite seven consecutive years of allocated economic capital depletion.

Through its corporate governance processes, the Group maintains discipline over its investment decisions and where it allocates its capital, seeking to ensure that returns on investment are appropriate after taking account of capital costs.

The Group's strategy is to allocate capital to businesses based on their economic profit generation and, within this process, regulatory and economic capital requirements and the cost of capital are key factors.

The Group's capital is divided into two tiers:

- Tier 1 capital: core equity tier one capital including ordinary shares, statutory reserve, share premium and general reserve.

- Tier 2 capital: qualifying subordinated loan capital, preference shares, collective impairment allowances, and unrealized gains arising on the fair valuation of equity instruments held as available for sale.

	2015 N'000	2014 N'000
Tier 1 Capital		
- Share Capital	3,000,000	3,000,000
- Share Premium	683,611	683,611
- Retained Earnings	8,433,057	7,062,582
Total qualifying for Tier 1 Capital	**12,116,668**	**10,746,193**
Tier 2 Capital		
- Fair Value Reserve	(1,696,116)	(1,669,786)
- Other borrowings	16,144,955	14,479,289
Total qualifying for Tier 2 Capital	**14,448,839**	**12,809,503**
Total Regulatory Capital	**27,213,251**	**23,555,696**

Notes To The Financial Statements

		Group		Company	
		2015 =N=' 000	2014 =N=' 000	2015 =N=' 000	2014 =N=' 000
5	**Investment Income**				
	Fixed deposits	3,070,791	1,626,014	259,336	164,873
	Investments securities	1,796	44,829	-	-
		3,072,587	**1,670,843**	**259,336**	**164,873**
6	**Fees and Commission Income**				
	Financial advisory fees	831,941	1,047,115	831,942	1,047,115
	Other fees and charges	780,865	799,466	-	-
		1,612,806	**1,846,581**	**831,942**	**1,047,115**

Net trading income includes gains and losses arising both on the purchase and sale of quoted equities.

		Group		Company	
		2015 =N=' 000	2014 =N=' 000	2015 =N=' 000	2014 =N=' 000
7	**Net Interest Margin**				
	Interest income on managed funds	4,681,648	3,125,514	-	-
	Interest expense on managed funds	(3,870,786)	(2,700,524)	-	-
		810,862	**424,990**	**-**	**-**

		Group		Company	
		2015 =N=' 000	2014 =N=' 000	2015 =N=' 000	2014 =N=' 000
8	**Other Income**				
	Dividend on equity investment	357,308	314,923	2,247	5,616
	Other interest income	49,945	109,171	37,889	10,989
	Write-back of excess provision	-	170,598	-	-
	Other income	250,221	164,394	5,638	-
		657,474	**759,086**	**45,774**	**16,605**
9	**(Losses) from Financial Assets Held for Trading**				
	(Loss) on equity securities	-	(50,877)	-	-

This relates to fair value changes on trading portfolio

10 Dividend Income from Subsidiaries

This represents dividend declared by subsidiaries - United Capital Trustees Limited and United Capital Asset Management within the Group.

Notes To The Financial Statements

		Group		Company	
		2015 =N='000	2014 =N='000	2015 =N='000	2014 =N='000
11	**Personnel Expenses**				
	Staff cost	1,176,490	1,172,436	483,454	343,847
	Contributions to defined contribution plans	21,317	16,390	7,781	4,781
		1,197,807	**1,188,826**	**491,235**	**348,628**
12	**Other Operating Expenses**				
	Other premises and equipment costs	15,213	27,744	3,273	1,407
	Auditors remuneration	31,500	31,500	10,000	10,000
	Professional fees	476,270	402,454	158,465	98,880
	Interest on long term debt	36,207	120,403	3,582	39,066
	Travel and accommodation	24,600	25,620	14,806	16,527
	Business development	83,989	-	66,334	-
	Insurance	20,760	12,254	5,947	1,770
	General admin expenses	92,846	79,348	71,887	13,062
	Advertisement and branding	40,385	14,135	16,955	4,507
	Donations	151,050	150,224	76,750	37,500
	AGM/EGM expenses	113,820	99,866	61,675	24,965
	Share register fee	18,327	-	9,163	-
	Rent and Rates	79,772	70,771	27,319	18,690
	Directors allowances	28,840	28,840	7,210	7,210
	Subscription	9,779	7,483	5,439	5,212
	Printing and Stationary	7,583	7,402	3,807	3,925
	Office running expenses	24,497	26,528	3,135	2,880
	Exchange loss	14,341	-	14,341	-
	Business entertainment	5,515	3,976	2,280	2,383
	IT license and maintenance fee	20,500	-	10,250	-
	Training and conference	14,758	3,425	7,045	536
		1,310,552	**1,111,973**	**579,663**	**288,520**

13 Income Tax Expense Recognised in the Profit or Loss

	Group		Company	
	2015 =N='000	2014 =N='000	2015 =N='000	2014 =N='000
Profit Before Tax	**3,263,663**	**2,309,879**	**1,488,390**	**1,464,017**
Taxable expenses	1,966,385	1,401,105	579,671	136,116
Tax free Income	(4,978,787)	(2,802,210)	(1,970,359)	(2,236,593)
Taxable profit/(loss)	251,261	908,774	97,702	(636,460)
Excess dividend tax	630,000	699,057	630,000	360,000
Income tax @ 30%	78,152	-	-	-
Minimum tax	52,170	-	37,213	-
Education tax @ 2%	7,823	8,234	1,954	-
Technology tax	50,060	33,503	14,884	14,640
Under provision in prior year	-	30,926	-	-
Share of associated company tax	10,506	7,935	-	-
Current Tax on Income for the Year	**828,711**	**779,655**	**684,051**	**374,640**
Deferred tax charge- temporary difference	(135,520)	(316,124)	(98,042)	(236,325)
Tax on Profit on Ordinary Activities	693,191	463,531	586,009	138,315
Effective tax rate	21	20	39	9

Notes To The Financial Statements

14	Earnings Per Share	2015	2014	2015	2014
	Basic Earnings Per Share				
	Basic earnings attributable to shareholders (N'000)	2,570,473	1,846,348	902,381	1,325,702
	Number of ordinary shares in issue ('000)	6,000,000	4,500,000	6,000,000	4,500,000
	Basic earnings per share (kobo)	**43**	**41**	**15**	**29**

The basic earnings per share have been adjusted to reflect the current year's number of ordinary shares resulting from the right issue of 2 billion units which occurred during the year.

14.1		Group		Company	
		2015	2014	2015	2014
	Basis of Weighted Average Number of Shares: in Thousands				
	At 1 January	6,000,000	4,000,000	6,000,000	4,000,000
	Additional shares issued for cash - 2 billion shares issued.	-	500,000	-	500,000
	At 31 December	**6,000,000**	**4,500,000**	**6,000,000**	**4,500,000**

		Group		Company	
		2015 =N=' 000	2014 =N=' 000	2015 =N=' 000	2014 =N=' 000
15	**Cash and Cash Equivalents**				
	Cash and balances with banks	2,503,866	1,233,746	561,199	72,244
	Money market placements	70,232,745	30,562,253	728,720	381,353
		72,736,641	**31,795,999**	**1,289,919**	**453,597**
	Allowance for impairment	(258)	(402)	-	-
		72,736,383	**31,795,597**	**1,289,919**	**453,597**

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisitions, including cash in hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities less than three months".

16	**Financial Assets**				
16.1	**Loan and Receivables**				
	Bonds (note 16.1a)	16,446,989	9,524,801	-	-
	Commercial paper	8,392,911	7,937,660	8,392,912	7,937,660
	Loans to customer (note 16.2)	6,016,289	3,689,815	4,324,576	3,670,562
		30,856,189	**21,152,276**	**12,717,488**	**11,608,222**

Notes To The Financial Statements

16.1a	State Government Bonds - Loans and Receivables	Group 2015 =N=' 000	Group 2014 =N=' 000	Company 2015 =N=' 000	Company 2014 =N=' 000
	13.75% Bayelsa State Govt. 2017	360,028	383,684	-	-
	15.5% Imo State Govt. 2016	152,345	239,821	-	-
	14.0% Edo state State Govt. 2017	700,000	726,643	-	-
	14.0% Edo state State Govt. 2017	200,000	209,896	-	-
	17% Cross Rivers State Govt. 2022	914,302	-	-	-
	14.00% Benue State Govt. 2016	71,000	213,000	-	-
		2,397,675	**1,773,044**	**-**	**-**
	Corporate Bonds- Loans & Receivables				
	15.3% NGC Sterile bond 2015	-	101,012	-	-
	13% UBA Unsecured 2017 bond note	240,000	247,825	-	-
	14% UBA Unsecured 2018 bond note	2,015,000	2,086,220	-	-
	14.25% FSDH 2016 Bond	150,000	153,938	-	-
	15.75% Lacasera 2018 Bond	60,000	82,411	-	-
	16.45% UBA Unsecured 2021 bond note	3,584,314	5,080,351	-	-
	16.0% Transcorp Hotel 2022 Bond	5,000,000	-	-	-
	15.5% Transcorp Hotel 2020 Bond	3,000,000	-	-	-
		14,049,314	**7,751,757**	**-**	**-**
	Total Bonds	**16,446,989**	**9,524,801**	**-**	**-**

16.2 This represents a loan facility indexed to LIBOR for a period of 24months. The Commercial paper represents investment in a discounted note for a period of 60 months. Bonds represent investment in State Government and Corporate bonds.

		Group 2015 =N=' 000	Group 2014 =N=' 000	Company 2015 =N=' 000	Company 2014 =N=' 000
16.3	**Financial Assets - Available for Sale**				
	Treasury bills	1,396,723	1,181,315	-	-
	Bonds	4,789,762	1,610,965	-	-
	Equity- Quoted	2,183,672	4,038,285	100,039	100,039
	Equity- Unquoted	2,033,744	1,700,692	-	-
	Collective Investment Scheme	1,840,445	2,173,968	-	-
		12,244,346	**10,705,225**	**100,039**	**100,039**
	Fair value change (note 32)	(1,696,117)	(1,669,786)	(57,853)	(46,371)
		10,548,229	**9,035,439**	**42,186**	**53,668**
16.4	**Financial Assets - Held to Maturity**				
	Fixed deposit	112,305	-	-	-
	Treasury Bills	3,241,065	13,391,609	-	-
	Federal Government Bonds	802,571	794,800	-	-
	State Government Bonds	11,650,981	7,879,422	-	-
	Corporate Bonds	7,356,307	5,459,758	1,714,746	1,314,698
		23,163,229	**27,525,589**	**1,714,746**	**1,314,698**
16.5	**Financial Assets - Investment in Property**				
	Real Estate	270,000	270,000	-	-

Notes To The Financial Statements

		Group		Company	
		2015	2014	2015	2014
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
17	**Investment in Associate**				
	At 1 January	1,928,952	1,809,382	1,650,000	1,650,000
	Dividend income	-	-	-	-
	Share of profit before tax	347,950	127,504	-	-
	Share of tax	(10,506)	(7,934)	-	-
	At 31 December	**2,266,396**	**1,928,952**	**1,650,000**	**1,650,000**

This represents the Group's 50% equity investment in UBA Metropolitan Life Limited.

18	**Investment in subsidiaries**	**Date of Investment**	**Holding**	**Value N'000**	**Country**
	United Capital Securities Limited	2006	100%	100,000	Nigeria
	United Capital Assets Management Limited	2013	100%	500,000	Nigeria
	United Capital Trustees Limited	2013	100%	150,000	Nigeria
				750,000	

18.1 Other Information on Subsidiaries

(i) United Capital Securities Limited is a dealing member of the Nigerian Stock Exchange (NSE) and registered by the Securities & Exchange Commission (SEC) as a Broker/Dealer. It is also a registered dealing member of NASD OTC Plc and FMDQ OTC Plc. This enables the Company to deal in over-the-counter Equity and Fixed Income Securities. The Company provides services such as securities dealing, receiving agents to new issues, stockbrokers to primary issues, designated adviser to SME's and equity portfolio management services.

(ii) United Capital Assets Management Limited is registered and licensed by the Securities and Exchange Commission of Nigeria (SEC) to act as investment advisers, funds and portfolio managers.

(iii) United Capital Trustees Limited is a leading provider of Trust services such as debenture trust, bond trusteeship to corporate and sub-sovereign issuers of public debt instruments and trustees to collective investment schemes.

18.2 Non-Controlling Interest of Subsidiaries

The group does not have any non-wholly owned subsidiaries that have material non-controlling interest.

18.3 Significant Restrictions

The Group does not have significant restrictions on its ability to access or use the assets and settle the liabilities of any member of the Group other than those resulting from the subsidiaries' supervisory frameworks. Disclosures on liquidity, capital adequacy and credit risk were disclosed in the enterprise risk management.

Notes To The Financial Statements

19 Property, Plant and Equipment

(i) Group

	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January	63,031	271,289	109,110	443,430
Additions	2,959	23,151	2,804	28,914
Disposals	(1,506)	(60,057)	(5,880)	(67,443)
At 31 December	64,484	234,383	106,034	404,901
Depreciation and Impairment Losses				
At 1 January	31,023	116,659	62,798	210,480
Additions	8,433	34,640	11,484	54,557
Disposals	(1,506)	(11,348)	(5,880)	(18,734)
Adjustment	(104)	17	(17)	(104)
At 31 December	37,846	139,968	68,385	246,199
Carrying Amounts				
Balance at 31 December 2015	**26,638**	**94,415**	**37,651**	**158,703**
Balance at 31 December 2014	**32,008**	**154,630**	**46,312**	**232,950**

(ii) Company

	Furniture & Equipment =N=' 000	Motor vehicles =N=' 000	Computer Equipment =N=' 000	Total =N=' 000
Cost				
At 1 January	34,769	107,930	57,640	200,339
Additions	2,259	-	2,271	4,530
Disposals	(1,506)	(30,375)	(5,880)	(37,761)
At 31 December	35,522	77,555	54,031	167,108
Depreciation and Impairment Losses				
At 1 January	7,563	36,142	14,350	58,055
Additions	6,964	3,693	10,617	21,273
Disposals	(1,506)	(4,780)	(5,880)	(12,165)
At 31 December	13,021	35,055	19,087	67,163
Carrying Amounts				
Balance at 31 December 2015	**22,501**	**42,500**	**34,944**	**99,945**
Balance at 31 December 2014	**27,206**	**71,788**	**43,290**	**142,284**

20 Intangible Assets

Purchased Software

	Group =N=' 000	Company =N=' 000
Cost		
At 1 January	45,815	45,815
Addition	6,901	6,901
Disposal	(1,800)	(1,800)
At 31 December	50,916	50,916
Amortization and Impairment Losses		
At 1 January	12,213	12,213
Amortisation for the year	9,436	9,436
Disposal	(1,800)	(1,800)
At 31 December	19,849	19,849
Carrying Amounts		
Balance at 31 December 2015	**31,069**	**31,069**
Balance at 31 December 2014	**33,603**	**33,603**

Notes To The Financial Statements

		Group		Company	
		2015	2014	2015	2014
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
21	**Trade Receivables & Prepayments**				
	Trade debtors	724,996	901,872	48,524	35,401
	Interest receivable	1,171,117	649,034	50,435	9,468
	Prepayments	454,169	179,403	49,808	86,872
	Accrued income	658,445	997,480	658,445	997,480
	Other receivable	816,410	428,289	75,940	49,739
	WHT receivable	535,954	160,442	492,136	458,031
	Other assets	81,936	226,021	-	74,377
		4,443,027	**3,542,541**	**1,375,288**	**1,711,368**
	Impairment on trade receivables(note 21.1)	(1,024,099)	(750,940)	(645,665)	(167,965)
		3,418,928	**2,791,601**	**729,623**	**1,543,403**
21.1	**Impairment on Trade Receivables**				
	At 1 January	750,940	764,790	167,965	70,562
	Provision no longer required	(392,505)	-	(19,355)	-
	Arising during the year (note 21.2)	665,664	124,647	497,055	97,670
	Write off during the year	-	(138,497)	-	(267)
	At 31 December	**1,024,099**	**750,940**	**645,665**	**167,965**
21.2	**Allowance for Impairment**				
	Impairment loss on trade receivables	665,664	124,647	497,055	97,670
		665,664	**124,647**	**497,055**	**97,670**
22	**Deferred Tax - (Asset)**				
	Deferred tax assets:				
	– Deferred tax asset to be recovered after more than 12 months	656,967	521,449	334,367	236,325
					-
		656,967	**521,449**	**334,367**	**236,325**
22.1	**Deferred Tax Liabilities:**				
	– Deferred tax liability to be recovered after more than 12 months	219	219	-	-
	Total	**219**	**219**	**-**	**-**

		Group		Company	
		2015	2014	2015	2014
		=N=' 000	=N=' 000	=N=' 000	=N=' 000
23	**Bank Overdraft**	**2,973,552**	**-**	**-**	**-**
24	**Managed Funds**				
	Fixed income notes	58,404,666	23,245,238	-	-
	Trust funds	1,566,202	921,243	-	-
	Sinking Funds	48,848,064	42,410,434	-	-
	Payable on trust accounts	286,167	458,488	-	-
		109,105,099	**67,035,403**	**-**	**-**

Sinking Funds are funds managed by Trustees on behalf of State Governments. The funds are invested in fixed income instruments for liquidity purposes in order to meet bondholders obligations as they become due.

Notes To The Financial Statements

25	**Other Borrowed Funds**				
	At 1 January	14,479,289	5,325,524	12,397,952	5,325,524
	Loan from commercial bank (note 25.1)	4,302,988	13,421,084	1,302,989	11,421,084
	Interest charge during the year	54,015	120,403	3,582	39,066
	Repayment during the year	(2,691,337)	(4,387,722)	-	(4,387,722)
	At 31 December	**16,144,955**	**14,479,289**	**13,704,523**	**12,397,952**

25.1 Loans from commercial bank represent different facilities with floating interest rates indexed to Libor for a period of sixty (60) months with maturity ranging from 1 month to 32 months. The loans are collaterized by negative pledge.

		Group		Company	
		2015	**2014**	**2015**	**2014**
		=N=' 000	**=N=' 000**	**=N=' 000**	**=N=' 000**
26	**Other Liabilities**				
	Creditors and accruals	1,271,778	808,882	547,651	282,924
	Customers deposit	602,475	853,749	-	-
	Other current liabilities	1,412,328	1,510,672	187,144	-
		3,286,581	**3,173,303**	**734,795**	**282,924**
27	**Current Tax Liabilities**				
	Per Statement of Financial Position:				
	At 1 January	1,522,835	1,054,634	711,585	479,830
	Charge for the year	818,202	771,720	684,051	374,640
	Tax paid	(165,900)	(303,519)	(14,640)	(142,885)
	At 31 December	**2,175,137**	**1,522,835**	**1,380,996**	711,585

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act CAP C21 LFN 2004 as amended, while Education Tax is based on Education Tax Act CAP E4 LFN 2004.

28(I)	**Share Capital**				
	The share capital comprises:				
(i)	Authorised - 6,000,000,000 Ordinary shares of 50kobo each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
(ii)	Issued and fully paid - 6,000,000 Ordinary shares of 50kobo each	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
	At 1 January	3,000,000	2,000,000	3,000,000	2,000,000
	Arising during the year	-	1,000,000	-	1,000,000
	At 31 December	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**
28.1	**Share Premium**				
	At 1 January	683,611	-	683,611	-
	Arising during the year	-	800,000	-	800,000
	Share issue expenses	-	(116,389)	-	(116,389)
	At 31 December	**683,611**	**683,611**	**683,611**	**683,611**

United Capital Plc issued new shares at a price of 90kobo in 2014. Based on the nominal value of 50kobo per share this created a share premium account. The share issue expenses were deducted from the share premium account.

Notes To The Financial Statements

		Group 2015 =N=' 000	Group 2014 =N=' 000	Company 2015 =N=' 000	Company 2014 =N=' 000
29	**Retained Earnings**				
	At 1 January	7,062,585	6,716,237	3,132,507	3,306,805
	Profit or loss account	2,570,472	1,846,348	902,381	1,325,702
	Dividend paid during the year (note 31)	(1,200,000)	(1,500,000)	(1,200,000)	(1,500,000)
	At 31 December	**8,433,057**	**7,062,585**	**2,834,888**	**3,132,507**

30 Dividend from Subsidiaries

30.1 This represents dividend declared by subsidiaries - United Capital Trustees Limited and United Capital Asset Management within the Group, made up as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Gross Dividend	-	-	2,166,667	1,120,000
Withholding tax	-	-	(216,667)	(112,000)
Net Dividend	**-**	**-**	**1,950,000**	**1,008,000**

30.2 Dividend Receivable from Subsidiaries

	Group 2015	Group 2014	Company 2015	Company 2014
At 1 January	-	-	2,376,407	2,894,974
Arising during the year	-	-	1,950,000	1,008,000
Receipt during the year	-	-	(1,404,791)	(1,526,567)
At 31 December	**-**	**-**	**2,921,616**	**2,376,407**

31 Proposed Dividend to Shareholders

The Directors propose that a dividend of 35kobo (2014: 20kobo) per ordinary share of 50kobo each, amounting to ₦2.1billion (2014: ₦1.2billion) be paid to shareholders upon approval at the Annual General Meeting. The proposed dividend has not been provided for and this will be subject to withholding tax at the appropriate tax rate when payment is made. The dividend will be payable to shareholders whose names appear on the Register of members at the close of business on 29 March, 2016.

		Group 2015 =N=' 000	Group 2014 =N=' 000	Company 2015 =N=' 000	Company 2014 =N=' 000
32	**Other Reserves**				
	Fair value reserves	(1,696,117)	(1,669,786)	(57,853)	(46,371)
32.1	**Fair Value Reserves**				
	At 1 January	(1,669,786)	(334,962)	(46,370)	11,041
	Arising during the year	(26,331)	(1,334,824)	(11,483)	(57,412)
		(1,696,117)	**(1,669,786)**	**(57,853)**	**(46,371)**
33	**Reconciliation of Profit After Tax to Net Cash from Operating Activities**				
	Profit after tax	2,570,472	1,846,348	902,381	1,325,702
	Adjustments to Reconcile Net Cash Provided:				
	Depreciation and amortisation	63,993	68,781	30,709	37,758
	Loss on disposal of investments	-	50,877	-	-
	Impairment charge	665,664	124,647	497,055	97,670
	Deferred tax	(135,520)	(316,124)	(98,042)	(236,325)
	Dividend income from subsidiaries	-	-	(1,950,000)	(1,008,000)
	Net of tax Share of profit of equity				

Notes To The Financial Statements

accounted investee	(337,444)	(119,570)	-	-
Increase in tax payable	652,301	468,201	812,306	231,755
	3,479,466	2,123,160	194,409	448,560
Changes in Working Capital				
Increase in other assets	(627,327)	(1,063,360)	203,009	(757,920)
Increase in other liabilities	44,591,291	5,493,292	451,871	114,862
Net Cash Used in Operating Activities	**47,443,430**	**6,553,092**	**849,289**	**(194,498)**

34 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures as well as key management personnel.

Identity of Related Parties	Relationship	%
UBA Metropolitan Life Insurance company Limited	Associate	50
United Capital Plc	Subsidiary	100
United Capital Trustees Limited	Subsidiary	100
United Capital Securities Limited	Subsidiary	100
UBA Nominees Limited	Sub-subsidiary	100

34.1 Key Management Personnel

Key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of United Capital Plc, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprise the key management personnel are the Board of Directors as well as certain key management and officers.

34.2 Remuneration of Key Personnel

Aggregate remuneration paid to key management staff during the year is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	=N=' 000	**=N=' 000**	**=N=' 000**	**=N=' 000**
Salaries & wages	223,443	246,063	198,232	149,616
Defined contribution plans	4,972	5,020	4,015	2,467
	228,415	**251,083**	**202,247**	**152,083**

34.3 Other Information on Key Management Personnel

Emoluments:				
Chairman	7,308	7,308	1,827	1,827
Other Directors	21,532	21,532	5,383	5,383
	28,840	**28,840**	**7,210**	**7,210**
Fees	5,500	5,500	1,375	1,375
Other Emoluments	23,340	23,340	5,835	5,835
	28,840	**28,840**	**7,210**	**7,210**
The total number of Directors were:	6	6	6	6

34.4 The number of persons employed (excluding Directors)in the company during the period was as follows:	112	123	15	16

Notes To The Financial Statements

35 Principal Subsidiaries

The financial statements of the Group include the operation of the following subsidiaries:

Company	Place of Incorporation	Primary Business Operation	% Held
United Capital Asset Management Limited	Nigeria	Portfolio Management	100%
United Capital Trustees Limited	Nigeria	Trusteeship	100%
United Capital Securities Limited	Nigeria	Securities Trading	100%

36 Events After Reporting Period

There are no material issues after the reporting period that have not been disclosed in this financial statement.

37 Contingent Liabilities

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk. The nature of the liability is as stated below:

	2015 =N=' 000	2014 =N=' 000	2015 =N=' 000	2014 =N=' 000
Contingent Liabilities				
Money market	-	14,000,000	-	14,000,000

Statement of Value Added

	Group				Company			
	2015		2014		2015		2014	
	=N=' 000	%	=N=' 000	%	=N=' 000	%	=N=' 000	%
Gross earnings	6,153,729		4,676,602		3,087,051		2,236,593	
Operating expenses - Local	(962,603)		(984,469)		(579,663)		(288,519)	
VALUE ADDED	**5,191,126**	**100**	**3,692,133**	**100**	**2,507,388**	**100**	**1,948,074**	**100**
Applied as Follows:								
To Pay Employees:								
Salaries and other benefits	1,197,807	23	1,188,826	32	491,235	20	348,628	18
To Pay Government:								
Taxes	693,191	13	463,531	13	586,009	23	138,315	7
Retained for Future Replacement of Assets and Expansion of Business:								
- Depreciation	63,993	1	68,781	2	30,709	1	37,758	2
- Impairment loss	665,664	13	124,647	3	497,055	20	97,670	5
- Profit for the year	2,570,472	50	1,846,348	50	902,381	36	1,325,702	68
	5,191,126	100	**3,692,133**	100	**2,507,388**	100	**1,948,074**	100

Value added represents the additional wealth which the company has been able to create on its own and employees' efforts. The statement shows the allocation of that wealth between the employees, government and that retained by the company for the future creation of more wealth.

Financial Summary - Group

	2015	2014	2013	2012	2011
	=N='000	=N='000	=N='000	=N='000	=N='000
ASSETS					
Cash and cash equivalents	72,736,383	31,795,597	29,203,619	2,134,561	9,139,771
Financial assets:					
- Held for trading	-	-	173,137	426,561	1,065,863
- Loan and receivables	30,856,189	21,152,276	8,851,121	-	-
- Available for sale	10,548,229	9,035,439	10,573,206	-	-
- Held to maturity	23,163,229	27,525,589	26,724,634	317,127	4,345,574
- Investment in property	270,000	270,000	-	-	-
Investments in associates	2,266,396	1,928,952	1,809,382	875,285	739,259
Property and equipment	158,703	232,950	160,718	9,401	94,948
Intangible assets	31,069	33,603	28,399	4,517	4,376
Deferred tax assets	656,967	521,449	224,607	224,607	224,607
Trade and other receivables	3,418,928	2,791,601	1,728,241	205,690	790,068
Assets classified as held for sale	-	-	-	7,605,422	-
TOTAL ASSETS	**144,106,093**	**95,287,456**	**79,477,064**	**11,803,171**	**16,404,466**
LIABILITIES					
Bank overdraft	2,972,552	-	-	-	-
Managed Funds	109,105,099	67,035,403	62,476,554	-	-
Other borrowed funds	16,144,955	14,479,289	5,325,524	897,020	1,168,012
Other liabilities	3,286,581	3,173,303	2,238,861	779,648	13,560,054
Current tax liabilities	2,175,136	1,522,835	1,054,634	219,586	322,204
Deferred tax liabilities	219	219	219	-	-
Liabilities associated to assets classified as held for sale	-	-	-	6,057,005	-
TOTAL LIABILITIES	**133,685,542**	**86,211,049**	**71,095,792**	**7,953,259**	**15,050,270**
EQUITY					
Share capital	3,000,000	3,000,000	2,000,000	2,000,000	2,000,000
Share premium	683,611	683,611	-	-	-
Retained earnings	8,433,057	7,062,582	6,716,234	1,849,912	(645,804)
Other reserves	(1,696,117)	(1,669,786)	(334,962)	-	-
SHAREHOLDER'S FUND	**10,420,551**	**9,076,407**	**8,381,272**	**3,849,912**	**1,354,196**
TOTAL LIABILITIES AND EQUITY	**144,106,093**	**95,287,456**	**79,477,064**	**11,803,171**	**16,404,466**
CONTINGENT LIABILITIES	**-**	**14,000,000**	**15,000,000**	**27,000,000**	**-**

Financial Summary - Company

	2015	2014	2013	2012	2011
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
ASSETS					
Cash and cash equivalents	1,289,919	453,597	1,543,308	33,478	4,704,164
Financial assets					
- Held for trading	-	-	-	37,212	116,248
- Loan and receivables	12,717,488	11,608,222	3,460,321	-	-
- Available for sale	42,186	53,668	111,080	-	-
- Held to maturity	1,714,746	1,314,698	-	317,127	494,914
Investments in subsidiaries	750,000	750,000	750,000	200,000	200,000
Investments in associates	1,650,000	1,650,000	1,650,000	750,000	750,000
Property and equipment	99,945	142,284	67,696	6,579	6,997
Intangible assets	31,069	33,603	28,399	301	4,396
Trade and other receivables	729,623	1,543,403	785,482	180,067	241,996
Dividend receivable from subsidiaries	2,921,616	2,376,407	2,894,974	-	-
Deferred tax	334,367	236,325	-	-	-
TOTAL ASSETS	**22,280,959**	**20,162,207**	**11,291,260**	**1,524,764**	**6,518,715**
LIABILITIES					
Other borrowed funds	13,704,523	12,397,952	5,325,524	897,020	1,168,012
Other liabilities	734,795	282,924	168,060	24,970	4,781,227
Current tax liabilities	1,380,995	711,585	479,830	11,686	69,971
Deferred tax liabilities	-	-	-	-	-
TOTAL LIABILITIES	**15,820,313**	**13,392,461**	**5,973,414**	**933,676**	**6,019,210**
EQUITY					
Share capital	3,000,000	3,000,000	2,000,000	2,000,000	2,000,000
Share premium	683,611	683,611	-	-	-
Retained earnings	2,834,888	3,132,506	3,306,806	(1,408,912)	(1,500,495)
Other reserves	(57,853)	(46,371)	11,041	-	-
SHAREHOLDERS' FUND	**6,460,646**	**6,769,746**	**5,317,847**	**591,088**	**499,505**
TOTAL LIABILITIES AND EQUITY	**22,280,959**	**20,162,207**	**11,291,260**	**1,524,764**	**6,518,715**
CONTINGENT LIABILITIES	**-**	**14,000,000**	**15,000,000**	**27,000,000**	**-**

Financial Summary - Group

	2015	2014	2013	2012	2011
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	6,153,729	4,676,602	4,573,241	1,342,055	1,436,668
Gross operating expenses	(3,238,016)	(2,494,227)	(2,103,418)	(626,747)	(543,928)
Share of profit/(loss) of equity accounted investee	347,950	127,504	164,091	128,865	(9,906)
Profit before income tax	**3,263,663**	**2,309,879**	**2,633,914**	**844,173**	**882,834**
Income tax expense	(693,191)	(463,531)	(870,903)	12,164	(60,040)
Profit for the year from continuing operations	**2,570,472**	**1,846,348**	**1,763,011**	**856,337**	**822,794**
Profit for the year from discontinued operations	-	-	-	561,652	-
Other comprehensive income for the period	(26,331)	(1,334,824)	131,126	(97)	-
Total comprehensive income for the period	**2,544,141**	**511,524**	**1,894,137**	**1,417,892**	**822,794**
Earnings per share-basic (kobo)	43	41	44	21	21

Financial Summary - Company

	2015	2014	2013	2012	2011
	=N=' 000	=N=' 000	=N=' 000	=N=' 000	=N=' 000
Gross earnings	3,087,052	2,236,593	4,358,092	400,086	778,209
Gross operating expenses	(1,598,662)	(772,576)	(622,695)	(348,817)	(410,668)
Profit before income tax	**1,488,390**	**1,464,017**	**3,735,397**	**51,269**	**367,541**
Income tax expense	(586,009)	(138,315)	(469,682)	40,411	94,253
Profit for the year from continuing operations	**902,381**	**1,325,702**	**3,265,715**	**91,680**	**461,794**
Other comprehensive income for the period	(11,483)	(57,412)	11,041	(97)	-
Total comprehensive income for the period	**890,898**	**1,268,290**	**3,276,756**	**91,583**	**461,794**
Earnings per share-basic (kobo)	15	29	82	2	12

Notice of AGM

United Capital

NOTICE OF 2016 ANNUAL GENERAL MEETING OF UNITED CAPITAL PLC

NOTICE IS HEREBY GIVEN that the Annual General Meeting of United Capital Plc will hold at the Eko Hotel & Suites, Adetokunbo Ademola Street, Victoria Island, Lagos on Thursday April 14, 2016 at 10am in order to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the members the Audited Financial Statements for the year ended December 31, 2015 and the Report of the Directors, Auditors and Audit Committee thereon;
2. To declare a Dividend;
3. To re-elect retiring Directors;
4. To authorise the Directors to determine the remuneration of the Auditors;
5. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

6. To fix the remuneration of Directors.
7. To consider and if thought fit, pass the following as special resolutions:

7.1 That the content of Article 14 being the article on the meeting of directors in the Articles of Association of the Company be amended by the creation of a new sub-Article 14.1 as follows:

"A Director may attend meeting either physically or by video-conferencing, any conferencing software application or through any other communication devices as the Board may approve. Questions arising at any meeting shall be decided by majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote".

7.2 That the content of Article 17, being the article on Issuance of Notices in the Articles of Association of the Company be amended by the creation of a new sub-Article 17.2 as follows:

"Annual Reports and Accounts and/or other Reports, documents and information relating to any business to be transacted at a General Meeting of the Company may be distributed or circulated electronically to members and persons entitled to receive them".

Dated March 18, 2016

BY ORDER OF THE BOARD

LEO OKAFOR
COMPANY SECRETARY
FRC/2013/NBA/00000002520

NOTES

PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrar, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the time fixed for the meeting.

RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Securities' Holders have a 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 April 14, 2016.

NOMINATION TO AUDIT COMMITTEE

Pursuant to Section 359(5) of the Companies & Allied Matters Act, Cap C20 Laws of the Federation of Nigeria, 2004 any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commissions Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

DIVIDEND

If the Dividend recommended by the Directors is approved by the members at the Annual General Meeting, Dividend will be paid by April 18, 2016 to the Shareholders whose names appear in the Company's Register of Members at the close of business on March 30, 2016.

CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from March 31, 2016 to April 1, 2016 both days inclusive for the purpose of updating the Register of Members.

E-DIVIDEND

Notice is hereby given to all Shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend. A detachable application form for e-dividend is attached to this Annual Report to enable all shareholders to furnish particulars of their accounts to the Registrar as soon as possible.

E- REPORT

In order to improve delivery of our Annual Report, we have inserted a detachable Form to the Annual Report and hereby request Shareholders who wish to receive the Annual Report of United Capital Plc in an electronic format to complete and return the Form to the Registrars for further processing.

In addition, Annual Reports are available online for viewing and download from our website at **www.unitedcapitalplcgroup.com**

Investment Banking ▪ Asset Management ▪ Securities Trading ▪ Trustee Services

Corporate Information

Directors:

Chika Mordi –	Chairman
Oluwatoyin Sanni –	Group Chief Executive Officer
Yoro Mohamed Diallo –	Independent Director
Adim Jibunoh –	Non Executive Director
Ambassador J.K. Shinkaiye –	Non Executive Director
Emmanuel N. Nnorom –	Non Executive Director

Executive Management:

Oluwatoyin Sanni –	Group Chief Executive Officer
Wale Shonibare –	Deputy Group CEO/MD, Investment Banking
Jude Chiemeka –	Managing Director, United Capital Asset Management
Kayode Fadahunsi –	Managing Director, United Capital Securities
Tokunbo Ajayi –	Managing Director, United Capital Trustees

Company Secretary/General Counsel

Leo Okafor

- **RC No** — RC 444999
- **FRC No** — FRC/2013/00000000001976
- **Registered Office** — 57, Marina
Lagos Island
Lagos, Nigeria
- **Bankers** — United Bank for Africa
57 Marina
Lagos Island
Lagos, Nigeria
- **Auditors** — Akintola Williams Deloitte
235 Ikorodu Road
Ilupeju
Lagos, Nigeria

Africa Prudential Registrars Plc
RC NO: 649007

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 advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholding

CLIENTELE

1. AFRICA PRUDENTIAL REGISTRARS PLC
2. ABBEY BUILDING SOCIETY PLC
3. AFRILAND PROPERTIES PLC
4. A & G INSURANCE PLC
5. ARM PROPERTIES PLC
6. A.R.M LIFE PLC
7. ADAMAWA STATE GOVERNMENT BOND
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. COMPUTER WAREHOUSE GROUP
17. EBONYI STATE GOVERNMENT BOND
18. GOLDEN CAPITAL PLC
19. INFINITY TRUST MORTGAGE BANK PLC
20. INTERNATIONAL BREWERIES PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. NEM INSURANCE PLC
25. NEXANS KABLEMETAL NIG. PLC
26. OMOLUABI SAVINGS AND LOANS PLC
27. PERSONAL TRUST & SAVINGS LTD
28. P.S MANDRIDES PLC
29. PORTLAND PAINTS & PRODUCTS NIG. PLC
30. PREMIER BREWERIES PLC
31. RESORT SAVINGS & LOANS PLC
32. ROADS NIGERIA PLC
33. SCOA NIGERIA PLC
34. TRANSCORP HOTELS PLC
35. TRANSCORP PLC
36. TOWER BOND
37. THE LA CASERA CORPORATE BOND
38. UACN Plc
39. UBA BALANCED FUND
40. UBA BOND FUND
41. UBA CAPITAL PLC
42. UBA EQUITY FUND
43. UBA MONEY MARKET FUND
44. UNITED BANK FOR AFRICA PLC
45. UNIC PLC
46. UAC PROPERTY DEVELOPMENT COMPANY PLC
47. UTC NIGERIA PLC
48. WEST AFRICAN GLASS IND PLC

OTHERS: ____________________

LAGOS: 220B, Ikorodu Road, Palmgrove. Tel: 07080606400 | ABUJA: 11, Lafia Close, Area 8, Garki. Tel: 09-2900873
PORT-HARCOURT: Plot 137, Olu-Obasanjo Road (2nd Floor), Port Harcourt, Rivers State. Tel: 084-303457
E-MAIL: info@africaprudentialregistrars.com | WEBSITE: www.africaprudentialregistrars.com

facebook.com/africaprudentialregistrarsplc twitter.com/APRPLC aprplc

United Capital
RC 444999

PROXY FORM

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON APRIL 14, 2016

I/We...
Being a member/members of UNITED CAPITAL PLC, hereby appoint **..................................

....

....
(block capitals please)

or failing him, the Chairman of the meeting as my/our* proxy to act and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held on April 14, 2016 at 10am or at any adjournment hereof.

Dated this .... day of 2016

Shareholder's signature:..

NOTE
Please sign this form and deliver or post it to reach the Registrar, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the meeting and ensure that the proxy form is dated, signed and stamped by the Commissioner for Stamp Duties.

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.

If the shareholder is a Corporation, this form must be under its common seal or under the hand of a duly authorised officer or attorney.

	ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1.	To lay before the members the Audited Financial Statements for the year ended December 31, 2015 and the Report of Directors, Auditors and Audit Committee thereon.			
2.	To declare a Dividend			
3.	To re-elect Directors: i. Mr. Emmanuel Nnorom ii. Adim Jibunoh			
4	To authorise the Directors to fix the remuneration of the Auditors.			
5	To elect members of the Audit Committee			
	SPECIAL BUSINESS	**FOR**	**AGAINST**	**ABSTAIN**
6.	To fix the remuneration of Directors			
7.1	*That the content of Article 14 being the article on the meeting of directors in the Articles of Association of the Company be amended by the creation of a new sub-Article 14.1 as follows:* *"A Director may attend meeting either physically or by video-conferencing, any conferencing software application or through any other communication devices as the Board may approve. Questions arising at any meeting shall be decided by majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote".*			
7.2	*That the content of Article 17, being the article on Issuance of Notices in the Articles of Association of the Company be amended by the creation of a new sub-Article 17.2 as follows:* *"Annual Reports and Accounts and/or other Reports, documents and information relating to any business to be transacted at a General Meeting of the Company may be distributed or circulated electronically to members and persons entitled to receive them".*			

Please indicate, by marking 'X' in the appropriate space, how you wish your votes to be cast on the resolutions set out above.

Before posting the above form, please tear off this part and retain it for admission to the meeting

United Capital
RC 444999

ANNUAL GENERAL MEETING
ADMISSION CARD

PLEASE ADMIT THE SHAREHOLDER NAMED ON THIS CARD OR HIS DULY APPOINTED PROXY TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON APRIL 14, 2016 AT 10 AM AT EKO HOTEL & SUITES, VICTORIA ISLAND, LAGOS

Name and address of Shareholder

Account Number

Proxy

Shareholder

Please tick ( ) appropriate box before admission to the meeting

LEO OKAFOR
Company Secretary

SIGNATURE...

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.

Notes

Notes

United Capital
Trustees

Head Office:
United Capital Plc.
12th Floor, UBA House. 57,
Marina, Lagos, Nigeria.
+234-1-280-7596, +234-1-280-8919.
info@unitedcapitalplcgroup.com

Abuja Investment Centre:
United Capital Plc.
Plot 134, Ahmadu Bello way,
Garki 2 , FCT Abuja, Nigeria.
+234-9-6233039/41.
info@unitedcapitalplcgroup.com

Port-Harcourt Regional Office:
United Capital Plc.
1st Floor, UBA House, 14, Azikiwe Road,
Port-Harcourt, Nigeria.
+234-8-455-6577,+234-704-617-5444.
info@unitedcapitalplcgroup.com

Head Office:
United Capital Plc.
12th Floor, UBA House. 57,
Marina, Lagos, Nigeria.
+234-1-280-7596, +234-1-280-8919.
info@unitedcapitalplcgroup.com

Abuja Investment Centre:
United Capital Plc.
Plot 134, Ahmadu Bello way,
Garki 2 , FCT Abuja, Nigeria.
+234-9-6233039/41.
info@unitedcapitalplcgroup.com

Port-Harcourt Regional Office:
United Capital Plc.
1st Floor, UBA House, 14, Azikiwe Road,
Port-Harcourt, Nigeria.
+234-8-455-6577,+234-704-617-5444.
info@unitedcapitalplcgroup.com

www.unitedcapitalplcgroup.com