

**UNION HOMES SAVINGS AND LOANS PLC**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE 9 MONTHS PERIOD ENDED 31 DECEMBER, 2009**

**WITH MANAGEMENT SCHEDULES**

**UNION HOMES SAVINGS AND LOANS PLC**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE 9 MONTHS PERIOD ENDED 31 DECEMBER, 2009**

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## UNION HOMES SAVINGS AND LOANS PLC

### CORPORATE INFORMATION

<b>Directors:</b>	O. I. Osibodu	-	<i>Chairman</i>
	S. O. Thomas	-	<i>MD/CEO</i>
	F. Umar	-	<i>(Retired w.e.f. 15/12/09)</i>
	K. S. Adeyemi	-	<i>(Retired w.e.f. 13/8/09)</i>
	C. J. Omo-Ijiade	-	<i>Non-Executive</i>
	J. M. Garba	-	<i>Executive</i>
	P. C. Odogwu	-	<i>Executive</i>
	F. A. Shonubi	-	<i>(Appointed w.e.f. 27/10/09)</i>
<b>Registered Number:</b>	RC 208457		
<b>Date of Registration:</b>	8 April, 1994		
<b>Operating License Number:</b>	000288		
<b>Date Licensed:</b>	30 May, 1994		
<b>Registered Office:</b>	153, Ikorodu Road, Onipanu, Lagos.		
<b>Company Secretary:</b>	A. A. Daniel, Esq., 153, Ikorodu Road, Onipanu. Lagos.		
<b>Auditors:</b>	Baker Tilly Nigeria, (Chartered Accountants), Kresta Laurel Complex (4th Floor), 376, Ikorodu Road, Maryland, Lagos.		
<b>Bankers:</b>	Union Bank of Nigeria Plc 36, Marina, Lagos.		

**UNION HOMES SAVINGS AND LOANS PLC**

**RESULTS AT A GLANCE**

	<b>9 Months ended 31/12/2009</b>	<b>12 Months ended 31/3/2009</b>	<b>% (Decrease)/ increase</b>
	<b>₦' m</b>	<b>₦' m</b>	
<b>Major Profit and Loss Account Items</b>			
Gross Income	5,521	9,817	(44)
Interest Expenses	2,404	5,013	(52)
Overhead Expenses	3,367	3,692	(9)
Loss)/profit Before Taxation and Exceptional item	(1,175)	947	(224)
Loss Before Taxation	(1,316)	(1,916)	(31)
Loss After Taxation and Exceptional item	(1,670)	(2,246)	(26)
Dividend Paid	5	625	(99)
	=====	=====	=====
<b>Major Balance Sheet Items:</b>			
Mortgage and other Loans and Advances	17,149	16,065	7
Deposits	38,340	73,624	(48)
Share Capital	3,906	3,906	-
National Housing Fund	395	432	(9)
Shareholders' Fund	5,709	7,215	(21)
Total Assets	48,226	85,055	(43)
<b>Per 50 kobo share data (adjusted)</b>			
	<b>₦</b>	<b>₦</b>	
(Based on 7,813 million ordinary shares)			
Earnings	(0.21)	(0.29)	
Net Assets	0.73	0.92	
Total Assets	6.17	10.89	
Stock Exchange Quotation at year end	0.85	1.41	
	=====	=====	
Number of Branches and Cash Centres	27	24	
Number of Employees	747	681	
	=====	=====	

## UNION HOMES SAVINGS AND LOANS PLC

### REPORT OF THE DIRECTORS

The Directors hereby submit their reports and the financial statements of the Company for the 9 months period ended 31 December, 2009.

#### 1. Results for the year

	<b>₦'000</b>
Loss After Taxation	(1,669,786)
<i>Appropriated as follows: -</i>	
Transfer to Statutory Reserve	-
<b>Retained loss Transferred to General Reserve</b>	<b>(1,669,786)</b>
	=====

#### 2. Legal Form

The Company was incorporated on 6 November, 1992 as a private company limited by shares. It commenced operations on 22 August, 1994, became a public limited liability company on 14 February, 2006 and was listed on the Nigerian Stock Exchange on 24 April, 2006.

#### 3. Principal Activities

The Company is licensed by the Federal Mortgage Bank of Nigeria to carry on mortgage banking business, with licence No. 000288 dated 30 May, 1994.

#### 4. Branches

The Company had 27 branches, a Cash Centre inclusive, spread across the country.

#### 5. Directors' Shareholding

The interests of Directors in the issued share capital of the Company are as follows: -

	<b>Number of Shares Held</b>	
	<b>At 31 December, 2009</b>	<b>At 31 March, 2009</b>
O. I. Osibodu	NIL	N/A
B. B. Ebong	18,133,960	18,133,960
S. O. Thomas	46,955,897	46,955,897
F. Umar	70,617,556	75,287,477
J. M. Garba	26,754,619	11,898,445
P. C. Odogwu	326,905	7,062
K. S. Adeyemi	1,423,608	3,423,608
C. J. Omo-Ijiade	31,412	27,812
F. A. Shonubi	NIL	N/A

## 6. Directors

The names of the current Directors are listed on page 1.

## 7. Analysis of Shareholding

.1 The ordinary shares of the Company as at 31 December, 2009 were held as follows: -

	<b>No. of Ordinary Shares held</b>	<b>Percentage share holding</b>
Union Bank of Nigeria Plc	2,391,666,663	30.6
Union Trustees Limited	1,108,058,119	14.2
Williams Street Trustees Limited	1,195,833,327	15.3
Others (members of the public and members of staff)	<u>3,116,941,891</u>	<u>39.9</u>
	<u>7,812,500,000</u>	<u>100.0</u>
	-----	-----

.ii Union Trustees Limited is a wholly-owned subsidiary of Union Bank of Nigeria Plc which the Directors regard as the ultimate holding company.

.iii Range of shareholding

<b>Number of shares</b>	<b>Number of Shares held</b>	<b>Numbers of shareholders</b>	<b>%</b>
1 - 500,000	970,998,636	28,525	12.4
500,001 - 1,000,000	260,867,403	361	3.3
1,000,001 - 5,000,000	738,948,085	364	9.5
Above 5,000,000	<u>5,841,685,876</u>	<u>70</u>	<u>74.8</u>
	<u>7,812,500,000</u>	<u>29,320</u>	<u>100</u>
	=====	=====	=====

.iv The changes in the shareholding ownership and structure of the company during the year under review have been duly reflected.

## 8. Dividend

In view of the loss recorded from operations by the company during the period, the Directors do not recommend the payment of any dividend.

## 9. Directors' Responsibility

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act Cap C20 LFN 2004, the Directors of the Company are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year, and of the profit or loss for that period, and comply with the provisions of the Companies and Allied Matters Act, CAP C20 LFN 2004. In doing so, they ensure that:-

- proper accounting records are maintained;

- applicable accounting standards are followed;
- suitable accounting policies are adopted and consistently applied;
- the going concern basis is used, unless it is inappropriate to presume that the company will continue in business; and
- adequate internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets and prevent and detect frauds and other irregularities.

## 10. Corporate Governance

The Board consists of three Executive and three Non-Executive Directors chaired in the financial period under review by Mrs. O. I. Osibodu. The Board meets regularly every three months and had its regular and special Board meetings three (3) times with all directors in attendance during the year under review. The Board has focus on its responsibilities and has perfected its operational strategies to secure reasonable performance of the company.

The Annual General Meetings (AGMs) provide unique opportunity to communicate with shareholders. At the AGM, shareholders receive the annual reports and ask questions concerning the company's operations. The Company held its fourteenth Annual General Meeting within the period.

The company has complied, as much as possible with the Code of Best Practice in Corporate Governance as published by Securities and Exchange Commission.

Apart from the full Board, the Company has four board committees saddled with the responsibility of advising the Board and giving directives to Management where necessary. The committees are Credit Risk and Investment, Establishment, Projects and Finance and General Purpose.

The composition and functions of the committees are as follows:

### **Board Credit Risk and Investment committee (CRICO)**

This comprises the following:

- |      |                  |   |                                   |
|------|------------------|---|-----------------------------------|
| i.   | F. A. Shonubi    | - | Chairman                          |
| ii.  | S. O. Thomas     | - | Managing Director/Chief Executive |
| iii. | C. J. Omo-Ijiade | - | Non-Executive Director            |
| iv.  | J. M. Garba      | - | Executive Director (Resources)    |
| v.   | P. C. Odogwu     | - | Executive Director (Operations)   |

Its functions are to:

- i) Define acceptable credit risk acceptance criteria and approve the organization's credit policy manual as well as clearly specify criteria for determining unacceptable risk;
- ii) Approve all credit facilities above the authority limits of management's credit committee but within CRICO limit in line with the Organization's credit process manual;
- iii) Review and ratify credit policy changes initiated by Executive Management subject to Board approval;
- iv) Review the organization's internal control systems and procedures to ensure that the organization maintains a high quality risk assets portfolio;
- v) Recommend major changes in the Organization's credit policies and procedures;
- vi) Recommend the establishment of the Organization's credit risk management structure

- including approval authorities and limits;
- vii) Approve sector limits for the Organization's loan portfolio in line with Government's regulations;
- viii) Periodically review the Organization's assets and liability report and non-performing loans with authority to approve provisions for loan losses in excess of management approval limit;
- ix) Review the Organization's credit and regulatory reports;
- x) Approve charge-offs in excess of the limits delegated to management credit committee responsible for credit matters;
- xi) Approve all proposals on the Organization's exception list;
- xii) Provide regular reports to the board; and
- xiii) Play such other roles as the full board may mandate the committee to play.

The committee met two (2) times within the nine months period ended 31 December, 2009.

### **Establishment committee**

This comprises the following:

- |      |                         |   |                                   |
|------|-------------------------|---|-----------------------------------|
| i.   | Prince C. J. Omo-Ijiade | - | Chairman                          |
| ii.  | F. A. Shonubi           | - | Non-Executive Director            |
| iii. | S. O. Thomas            | - | Managing Director/Chief Executive |
| iv.  | J. M. Garba             | - | Executive Director (Resources)    |

Its functions are to:

- i) Make recommendations to the Board on the Board's policy framework of executive remuneration and its costs;
- ii) Determine, on behalf of the Board, specific remuneration packages for each of the Executive Directors, including terminal benefits and any compensation payments;
- iii) Determine the compensation of executive directors;
- iv) Consider and approve appointments, promotions and discipline of Senior Managers and Principal Managers;
- v) Consider and recommend to Board, appointments, promotions and discipline of Assistant General Managers and above.
- vi) Consider and recommend increments for staff from Principal Managers and above;
- vii) Consider and recommend changes in the remuneration and conditions of service of Directors; and
- viii) Consider and review staff welfare matters and make appropriate recommendation to the Board.

The committee met two (2) times within the nine months period ended 31 December, 2009.

### **Projects committee**

This comprises the following:

- |      |                         |   |                                   |
|------|-------------------------|---|-----------------------------------|
| i.   | F. A. Shonubi           | - | Chairman                          |
| ii.  | Prince C. J. Omo-Ijiade | - | Non-Executive Director            |
| iii. | S. O. Thomas            | - | Managing Director/Chief Executive |
| iv.  | P. C. Odogwu            | - | Executive Director (Operations)   |
| v.   | J. M. Garba             | - | Executive Director (Resources)    |



Its functions are to:

- i) Consider and review all tenders, property purchases and leases above EXCO limit and where appropriate recommend to Board.
- ii) Consider and review all proposals on Estate/Property development and where appropriate recommend to Board.
- iii) Consider and review Branch Premises fitting out proposals and recommend to Board.

The committee met 4 (four) times within the nine months period ended 31 December, 2009.

### **Finance and General Purposes Committee**

This comprises the following:

- i) F. A. Shonubi - Chairman
- ii) S. O. Thomas - Managing Director/Chief Executive
- iii) Prince C. J. Omo-Ijiade - Non-Executive Director
- iv) J. M. Garba - Executive Director (Resources)
- v) P. C. Odogwu

Its functions are to:

- i. Review budget proposals and recommend to Board;
- ii. Receive and consider monthly/quarterly reports on expenditure above EXCO limit;
- iii. Receive and consider monthly expenditure on leases, sale of assets, donations and where appropriate recommend to Board;
- iv. Formulate guidelines from time to time on cost control reduction consistent with maximum efficiency and make appropriate recommendations to the Board; and
- v. Consider proposals on strategic planning and make appropriate recommendation to the Board.

The committee met two (2) times within the nine months period ended 31 December, 2009.

### **11. Fixed Assets**

The movements in fixed assets are shown in note 8 on page 23. In the opinion of the Directors, the value of the company's properties is not less than the book value.

### **12. Declaration of Fraud and Forgeries**

There were thirteen (13) successful and partially successful reported cases of frauds and forgeries amounting to ₦585,934,915 during the year. The total potential loss in respect of these cases to the company, amounting to ₦71,666,597 have been fully provided for in the financial statements as follows:

<b>Nature</b>	<b>Amount</b> ₦	<b>Provision</b> ₦
Defalcation	14,771,600	14,426,600
Unauthorized withdrawals	351,680,850	26,827,497
Clone/forgery	1,694,544	-
Suppression and diversion	187,697,921	422,500
Pilfering of cash	30,090,000	29,990,000
	<u>585,934,915</u>	<u>71,666,597</u>
	=====	=====

13. **Post Balance Sheet Event**

There is no significant material post balance sheet events.

14. **Donations**

The company made donations amounting to ₦575,000 during the year as follows: -

	₦
Staff Co-operative Society UHSL Plc	200,000
Police Community, Ilupeju division	150,000
Staff Co-operative Society Exxon Mobil	92,000
Pacelli School for the blind and partially sighted children	50,000
Book launching	50,000
Assembly of God High School	<u>33,000</u>
	575,000
	=====

15. **Employment and employees**

(i) ***Employment of Physically Challenged Persons:***

The company does not discriminate in considering applications for employment including those from disabled persons. All employees are given equal opportunities for self development.

(ii) ***Employee's involvement and Training:***

The Company is committed to keeping employees fully informed as far as possible regarding its performance and progress and seeking their views wherever practicable on matters, which particularly affect them as employees.

Management, professional and technical expertise are the Company's major assets and investment in their further development continues.

The Company's expanding skill base has increased by a range of training programmes provided to its employees whose opportunities for career development within the company have thus been enhanced.

(iii) ***Health, Staff Welfare and Safety at Work:***

Health and safety regulations are in force within the company's premises, and employees are aware of safety regulations. The Company provides subsidies to all employees for medical, transportation, housing and lunch. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these include bonus, salary review, promotions, etc.

**16. Audit Committee**

Pursuant to section 359(3) of the Companies and Allied Matters Act, Cap C20 LFN 2004, the company has an Audit Committee comprising three shareholders and two directors as follows:-

Mallam A. A. Kiyawa. (Chairman)  
Chief T. Adesiyani;  
Mrs. O. Thorpe;  
Mr. F. A. Shonubi; and  
Prince C. J. Omo-Ijiade.

The functions of the Audit Committee are as laid down in section 359(6) of the Companies and Allied Matters Act, Cap C20 LFN 2004.

**17. Auditors**

Messrs Baker Tilly Nigeria (Chartered Accountants) have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004. A resolution will be passed at the Annual General Meeting to authorise the Directors to fix their remuneration.

**By order of the Board**

**A. A. Daniel  
Company Secretary**

**LAGOS, Nigeria  
27 April, 2010**

**AUDITORS' REPORT  
TO THE MEMBERS OF  
UNION HOMES SAVINGS AND LOANS PLC**

We have audited the financial statements set out on pages 15 to 37 which have been prepared under the accounting policies set out on pages 12 to 14.

**Respective Responsibilities of Directors and Auditors**

The responsibilities of directors on the financial statements as contained in Sections 334 and 335 of the Companies and Allied Matters Act, Cap C20 LFN 2004 are stated on pages 4 and 5. It is our responsibility as auditors to form an independent opinion, based on our audit, on the financial statements prepared by the directors and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement. In forming our opinion, we also evaluated the overall adequacy of the presentation of the information in the financial statements.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. Proper books of account have been kept by the company and the financial statements are in agreement with the books of account.

An analysis of insider related credits as required by Central Bank of Nigeria is as set out in Note 5.v to the financial statements.

**Contravention**

During the year ended 31 December, 2009, the Company did not contravene any sections of the Central Bank of Nigeria circulars.

**Opinion**

In our opinion and to the best of our information and the explanations given to us, the financial statements give a true and fair view of the state of affairs of the company as at 31 December, 2009 and of its loss and cash flow for the period then ended and have been properly prepared in accordance with the provisions of the Mortgage Institutions Act, 1989; Banks and Other Financial Institutions Act, CAP B3 LFN 2004 as amended; guidelines issued by the Central Bank of Nigeria; all relevant statements of accounting standards issued by the Nigerian Accounting Standards Board and Companies and Allied Matters Act, CAP C20 LFN 2004.

**CHARTERED ACCOUNTANTS**

**LAGOS, Nigeria  
27 April, 2010**

## UNION HOMES SAVINGS AND LOANS PLC

### REPORT OF THE AUDIT COMMITTEE

In accordance with the provisions of Section 359(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, we have:-

- (a) Reviewed the scope and planning of the audit requirements;
- (b) Reviewed the External Auditors' Report to Management on the audit of the financial statements for the period ended 31 December, 2009 as well as the management responses thereto; and
- (c) Ascertained that the accounting and reporting policies of the company for the period ended 31 December, 2009 are in accordance with legal requirements and agreed ethical practices. As required by the Central Bank of Nigeria circular BSD/1/2004, we reviewed the insider related credits of the Institution and found them to be as analysed in the financial statements.

In our opinion, the scope and planning of the audit for the 9 months period ended 31 December, 2009 were adequate and we are satisfied with the management responses to the auditors' findings on management matters.

We also state that the internal control was being constantly and effectively monitored.

As required by the Central Bank of Nigeria Circular BSD/1/2004, we reviewed the insider related credits of the company and found them to be as analyzed in the financial statements.

Dated this 11 May, 2010

.....  
Mallam Adamu A. Kiyawa  
**Chairman, Audit Committee**

#### **Members of the Committee**

Mallam Adamu A. Kiyawa

Chief T. Adesiyon

Mrs. O. Thorpe

Prince C. J. Omo-ijiade

Mr. F. A. Shonubi

## UNION HOMES SAVINGS AND LOANS PLC

### STATEMENT OF ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Company in the preparation of its financial statements.

#### 1. **Basis of Accounting**

The financial statements are prepared on the basis of historical cost convention.

#### 2. **Cash and Short-Term Funds**

Cash and short-term funds comprise cash balances on hand, balances with the Central Bank of Nigeria and other banks and financial institutions in and outside Nigeria. The balance is stated less provision for doubtful balances.

#### 3. **Federal Government Securities**

Federal Government Securities is made up of Federal Government Bonds. These Bonds are held for fixed redemption rate, and are stated at cost.

#### 4. **Investments**

Long term investments are stated at cost. Other investments are stated at cost less provision for diminution in the value of such investments.

#### 5. **Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Gains or losses on disposal of fixed assets are included in the profit and loss account.

#### 6. **Depreciation**

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight line basis at the following annual rates –

Land and buildings	-	2.5%
Improvement to leasehold building	-	Over the term of the lease
Office and household fixtures and fittings	-	20%
Computers and office equipment	-	20%
Motor vehicles	-	20%

#### 7. **Income Recognition**

Interest income is recognized on an accrual basis. Interest accruing on non performing accounts is suspended and recognized in the profit and loss account on a cash basis only. Investment income is recognized on accrual basis and credited to the profit and loss account. Dividend income is recognized when the right to receive income is established.

## 8. Credit Portfolio Classification

- .1 Credit facilities are classified as either performing or non-performing and are stated after the deduction of appropriate provision
- .2 Provision is made for each account that is not performing in accordance with the terms of the related facility as follows:-

<b>Interest and/or principal outstanding for over</b>	<b>Classification</b>	<b>Provision</b>
90 days but less than 180 days	Sub-standard	10%
180 days but less than 360 days	Doubtful	50%
360 days and above	Lost	100%

- .3 In accordance with the Central Bank of Nigeria's Prudential guidelines, specific provisions are made on all non-performing accounts and a general provision of at least 1% on risk assets not specifically provided for.

## 9. Retirement Benefits

The company operates a non-contributory retirement pension scheme for the benefit of its employees. Contributions to the scheme, which are calculated at 25% of basic salary and applicable allowances are charged against the profit and loss account.

## 10. Deferred Taxation

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the difference between the net book value of qualifying fixed assets and their corresponding tax written down value.

## 11. Contingent Liabilities

Contingent liabilities are not recognized until they crystallise. Such transactions include bonds, guarantees, indemnities and acceptances.

## 12. Investment Properties

Investment properties (including associated borrowing costs) are treated as long-term investments. They are carried at market values which are determined every three years by external independent valuers. Increases in their carrying amount are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same assets are charged against revaluation reserve while, all other decreases are charged to the income statement. Revaluation surplus on disposed assets are written back to income in line with the provisions of SAS 13.

## 13. Borrowing Costs

Borrowing costs associated with loans utilized on construction and/or acquisition of properties for re-sale are capitalized in accordance with the provisions of the International Accounting Standard No.23. They include interest charges, establishment fees and other incidental fees directly related to the creation and arrangement of the facilities.

14 **Foreign Exchange Transactions**

Transactions in foreign currencies during the year are converted into the Nigeria Naira, using the exchange rates prevailing at the dates of the transactions. Foreign exchange losses and gains resulting from such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss accounts.

15. **Provision**

Provision is recognized when the Company has a present obligation whether legal or constructive as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in accordance with the Statement of Accounting Standard (SAS) 23 on provisions, contingent liabilities and assets.

16 **Dividend**

Proposed dividend to the Company's shareholders is recognized as a liability in the financial statements in the year in which the dividend is approved by the company's shareholders in accordance with statement of accounting standard (SAS) 23. Any approved dividend is subject to withholding tax at the appropriate tax rate.

17 **Earnings per share**

The company presents adjusted earnings per share (EPS) for its ordinary shares. Adjusted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the number of issued and fully paid up shares as at year end.



**UNION HOMES SAVINGS AND LOANS PLC**

**BALANCE SHEET AS AT 31 DECEMBER, 2009**

<b>Assets</b>	<b>Note</b>	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
Cash and short-term funds	1	185,950	325,530
Due from banks and other financial institutions	2	1,516,918	37,381,754
Long-term Investments	3	9,233,873	9,160,768
Federal Government Securities	4	73,848	5,273,848
Mortgage and other loans and advances	5	17,148,636	16,065,222
Other assets	6	4,436,719	6,333,483
Investment Properties	7	11,761,318	7,761,032
Fixed assets	8	<u>3,869,572</u>	<u>2,753,768</u>
		48,226,834	85,055,405
		=====	=====
<b>Liabilities</b>			
Deposits	9	37,168,371	53,223,639
Due to other banks	10	1,171,397	20,400,000
Tax payable	11	308,538	300,492
Deferred taxation	12	630,864	309,843
Other liabilities	13	<u>2,843,750</u>	<u>3,173,887</u>
		42,122,920	77,407,861
		=====	=====
<b>Capital and Reserves</b>			
Share capital	14	3,906,250	3,906,250
Statutory reserve	15	1,212,963	1,212,963
Share premium	16	2,033,088	2,035,032
General reserve	17	<u>(1,443,391)</u>	<u>61,128</u>
<b>Shareholders Fund</b>		5,708,910	7,215,373
National Housing Fund	18	<u>395,004</u>	<u>432,171</u>
		6,103,914	7,647,544
		=====	=====
		48,226,834	85,055,405
		=====	=====

**Mrs. O. I. Osibodu**                    ) -----  
*Chairman*                                    )  
   )  
**Mr. S. O. Thomas**                    ) -----  
*Managing Director/Chief Executive* )

The accounting policies on pages 12 to 14 and the notes on pages 18 to 35 form part of these financial statements.

**UNION HOMES SAVINGS AND LOANS PLC**  
**PROFIT AND LOSS ACCOUNT**

**FOR THE 9 MONTHS PERIOD ENDED 31 DECEMBER, 2009**

	Note	9 Months ended 31/12/2009 N'000	12 Months ended 31/3/2009 N'000
Mortgage and Other Interest	19	4,402,830	6,510,653
Interest Expenses	20	<u>(2,403,803)</u>	<u>(5,013,243)</u>
Net Interest Income		1,999,027	1,497,410
Other Incomes	21	<u>1,118,252</u>	<u>3,305,981</u>
Net Operating Income		3,117,279	4,803,391
Overhead Expenses	23	(3,366,849)	(3,691,994)
Provision for Risk and other Assets	24	(740,603)	139,013
Depreciation of Fixed Assets	8	<u>(184,925)</u>	<u>(303,514)</u>
(Loss)/profit before tax and exceptional item		(1,175,098)	946,896
<b>Exceptional item</b>			
Additional provision for losses and other adjustments	25	<u>(140,748)</u>	<u>(2,863,291)</u>
Loss before taxation		(1,315,846)	(1,916,395)
Current taxation	11	(32,919)	(305,090)
Deferred taxation	11	<u>(321,021)</u>	<u>(24,273)</u>
Loss after taxation transferred to general reserves	17	(1,669,786) =====	(2,245,758) =====
Loss per Share		<del>(N)0.21</del> =====	<del>(N)0.29</del> =====

The accounting policies on pages 12 to 14 and the notes on pages 18 to 35 form part of these financial statements.

**UNION HOMES SAVINGS AND LOANS PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE 9 MONTHS PERIOD ENDED 31 DECEMBER, 2009**

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
<b>Cash Flow From Operating Activities -</b>		
Interest and other Incomes (note 21.i)	4,638,836	9,812,195
Interest Payments	(2,403,803)	(5,013,243)
Cash Payments to Employees and Suppliers	<u>(3,366,849)</u>	<u>(3,691,994)</u>
<b>Operating (Loss)/Profit Before Changes in Operating Assets/Liabilities</b>	<b>(1,131,816)</b>	<b>1,106,958</b>
<b>Movement in Operating Assets and Liabilities</b>		
Mortgage and Other Loans and Advances	(987,586)	(1,853,351)
Other Assets	2,030,331	(4,304,115)
Customers' Deposits	(16,055,268)	6,643,940
Due to Other Banks	(19,228,603)	4,800,000
National Housing Fund	(37,167)	(85,428)
Other Liabilities	<u>(330,137)</u>	<u>(1,721,555)</u>
<b>Cash Generated from Operating Activities</b>	<b>(35,740,246)</b>	<b>4,586,449</b>
Income and Education Taxes Paid	<u>(24,873)</u>	<u>(289,207)</u>
<b>Net Cash from (used in) Operating Activities (note 22)</b>	<b>(35,765,119)</b>	<b>4,297,242</b>
	-----	-----
<b>Cash Flow from Investing Activities</b>		
Proceeds of sale of Federal Government of Nigeria's Bond	5,200,000	3,300,000
(Purchases) of Investments	(213,853)	(6,484,055)
Purchase of investment properties	(4,000,331)	1,672,127
Purchase of Fixed Assets	(1,302,176)	(818,685)
Proceeds from Disposal of Fixed Assets	<u>3,249</u>	<u>5,833</u>
<b>Net Cash used in Investing Activities</b>	<b>(313,111)</b>	<b>(2,324,780)</b>
	-----	-----
<b>Cash Flow from Financing Activities</b>		
Dividend Paid	(5,212)	(625,000)
Share Increase Expenses	<u>(1,944)</u>	<u>(176,489)</u>
	(7,156)	(801,489)
	-----	-----
<b>Net (reduction)/increase in Cash and Cash Equivalent</b>	<b>(36,085,386)</b>	<b>1,170,973</b>
Cash and Cash Equivalent at 1 April	<u>38,018,254</u>	<u>36,847,281</u>
<b>Cash and Cash Equivalents at 31 December</b>	<b>1,932,868</b>	<b>38,018,254</b>
	=====	=====
Cash and Short Term Funds (note 1)	185,950	325,530
Due from Banks and Other Financial Institution (note 2)	<u>1,746,918</u>	<u>37,692,724</u>
	1,932,868	38,018,254
	=====	=====

**UNION HOMES SAVINGS AND LOANS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 9 MONTHS PERIOD ENDED 31 DECEMBER, 2009**

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 x'000</b>
<b>1. Cash and Short-term Funds</b>		
Cash	170,119	309,699
Cash Reserve Requirement with Central Bank of Nigeria	<u>15,831</u>	<u>15,831</u>
	185,950	325,530
	=====	=====
<b>2. Due From Banks and Other Financial Institutions</b>		
<i>.i Summary</i>		
Balance with Union Bank UK Plc	34,249	33,871
Balance with HFC Bank (Ghana) Ltd.	13,082	13,082
Balances with Banks and Other Financial Institutions in Nigeria	<u>1,699,587</u>	<u>37,645,771</u>
	1,746,918	37,692,724
<b>Less:</b> Provision (note 24)	<u>(230,000)</u>	<u>(310,970)</u>
	1,516,918	37,381,754
	=====	=====
<i>.ii Included in balances with Banks and Other Financial Institutions in Nigeria are:</i>		
Balances with Union Bank of Nigeria Plc	(70,602)	24,825,065
Consolidated Discount Limited (Associate of the holding company)	<u>1,000,000</u>	<u>8,000,000</u>
	929,398	32,825,065
	=====	=====

	<b>9 Months ended 31/12/2009 ₦'000</b>	<b>12 Months ended 31/3/2009 ₦'000</b>
<b>3. Long Term Investments</b>		
<i>.i Quoted</i>		
HFC Bank (Ghana) Limited 6,250,000 (31/03/2009 -6,250,000) ordinary shares (Market value at 31/12/2009 – ₦443,687,500 31/03/2009- <del>₦439,115,000</del> )	121,641	115,659
<p>This represents - (31/03/2009-6%) investment in the equity capital of HFC Bank (Ghana) Limited which is situated in Ghana and quoted on the Ghana Stock Exchange. (Market price and exchange rate of the naira to the cedi were 0.62 cedis and ₦114.50 respectively (31/3/2009 -0.62 cedis and ₦113.32 respectively)</p>		
Transnational Corporation of Nigeria Ltd 300,000,000 ordinary shares of ₦3 each (Market value at 31/12/2009 – ₦150,000,000 31/03/2009 – ₦153,000,000)	900,000	900,000
Others (Market value – at 31/12/2009 ₦1,764,665,021 (31/03/2009 - ₦2,365,659,012)	4,189,821	4,481,950
	5,211,462	5,497,609
	-----	-----
<i>.ii Unquoted</i>	<b>₦'000</b>	<b>₦'000</b>
Union Assurance Company Limited 1,134,615,384 (31/3/09-750,000,000) ordinary shares of ₦1 each this represents 15% investment in the equity capital of Union Assurance Limited which is a subsidiary of the holding company – Union Bank of Nigeria Plc	1,466,000	966,000

	<b>9 Months ended 31/12/2009 ₦'000</b>	<b>12 Months ended 31/3/2009 ₦'000</b>
UBN Property Company Limited This represents 15% investment in the equity capital of UBN Property Company Limited a subsidiary of Union Bank of Nigeria Plc – the holding company	495,000	495,000
Saffer-Union (West Africa) Limited This represents 50% investment in the equity of Saffer-Union (West Africa) Limited which is an affiliated company to Union Homes Savings and Loans Plc	65,450	65,450
Real Estate Investment Trust This represents 40% investment in the equity of Union Homes Savings & Loans Plc REIT	<u>5,000,000</u> 7,026,450	<u>5,000,000</u> 6,526,450
	-----	-----
	12,237,912	12,024,059
<i>Less:</i> Provision (note 3.i)	<u>(3,004,039)</u>	<u>(2,863,291)</u>
	9,233,873	9,160,768
	=====	=====

### 3.1 Movement in diminution in value of investments

Opening balance	2,863,291	-
Arising during the period (note 25)	<u>140,748</u>	<u>2,863,291</u>
At 31 December	<u>3,004,039</u>	<u>2,863,291</u>
	=====	=====

This represents diminution in the value of quoted investments which arose as a result of the general decline in quoted shares prices occasioned by the worldwide economic meltdown.

### 4. Federal Government Securities

Federal Government Bonds	<u>73,848</u>	<u>5,273,848</u>
	=====	=====

	<b>9 Months ended 31/12/2009 ₹'000</b>	<b>12 Months ended 31/3/2009 ₹'000</b>
<b>5. Mortgage and Other Loans and Advances</b>		
<i>.i By security</i>		
Secured against real estate	19,330,471	19,091,012
Otherwise secured	915,497	1,034,920
Unsecured	<u>1,887,474</u>	<u>1,019,924</u>
	22,133,442	21,145,856
<i>Less: Provision (note 24)</i>	<u>(4,984,806)</u>	<u>(5,080,634)</u>
	<u>17,148,636</u>	<u>16,065,222</u>
	=====	=====
<i>.ii By Type:</i>		
Mortgage loans	10,861,303	10,524,172
Other advances	<u>11,272,139</u>	<u>10,621,684</u>
	22,133,442	21,145,856
	=====	=====
<i>.iii By Performance</i>		
Performing	14,401,841	15,348,147
Substandard	1,963,572	581,052
Doubtful	839,311	591,192
Lost	<u>4,928,718</u>	<u>4,625,465</u>
	22,133,442	21,145,856
	=====	=====
<i>.iv Maturity Profile</i>		
Under 1 month	2,444,506	4,107,913
1 to 3 months	243,894	621,705
3 to 6 months	2,799,502	1,581,505
6 to 12 months	1,846,924	2,899,353
Over 12 months	<u>14,798,616</u>	<u>11,935,380</u>
	22,133,442	21,145,856
	=====	=====
<i>.v Analysis of Insider Related Credits</i>		
Substandard	62,995	77,186
Doubtful	65,739	23,210
Lost	<u>18,523</u>	-
	147,257	100,396
Performing	<u>258,721</u>	<u>390,105</u>
	405,978	490,501
	=====	=====
Credits to staff and ex-staff	1,349,610	1,779,067
	=====	=====

	<b>9 Months ended 31/12/2009 ₦'000</b>	<b>12 Months ended 31/3/2009 ₦'000</b>
<b>6. Other Assets</b>		
Sundry Customers -Treasury	1,053,234	-
Payments in advance	1,149,535	1,008,551
Real Estate Investment Trusts	1,116,562	3,716,811
Prepaid interest	826,827	411,018
Income receivable	255,918	300,425
Cash advance	3,248	4,871
Cheques in course of collection	-	254,970
Other receivables (note 6.i)	<u>123,891</u>	<u>692,421</u>
	4,529,215	6,389,067
<b>Less: Provision (note 24)</b>	<u>(92,496)</u>	<u>(55,584)</u>
	4,436,719	6,333,483
	=====	=====
<b>6.i Other receivables comprise of:</b>		
UHSL Plc REIT suspense a/c	90,095	-
Finacle UBS	-	262,338
Sunrise Property	-	232,351
Union Registrars	-	54,708
Mulliner Property	-	52,558
Others	<u>33,796</u>	<u>90,466</u>
	123,891	692,421
	=====	=====

6.ii. Of the total provision of ₦71,666,597 on frauds and defalcation during the year, ₦26,827,497 has been fully provided for under non-performing mortgage and other loans and advances.



	<b>9 Months ended 31/12/2009 ₹'000</b>	<b>12 Months ended 31/3/2009 ₹'000</b>
7. Investment properties	11,827,347	7,827,016
<i>Less</i> Provision (Note 24)	<u>(66,029)</u>	<u>(65,984)</u>
	11,761,318	7,761,032
	=====	=====

Investment properties relate to expenditure on properties which will be sold outright.

## 8. Fixed Assets

	<b>Land and Buildings ₹'000</b>	<b>Land and Buildings (In progress) ₹'000</b>	<b>Improve- ment on leasehold Buildings ₹'000</b>	<b>Fittings and Equipment ₹'000</b>	<b>Motor Vehicles ₹'000</b>	<b>Total ₹'000</b>
At 1 April	1,446,788	1,026,367	535,504	1,979,471	316,178	5,304,308
Additions	-	816,333	5,939	464,904	15,000	1,302,176
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,915)</u>	<u>(10,681)</u>	<u>(15,596)</u>
31 Dec	<u>1,446,788</u>	<u>1,842,700</u>	<u>541,443</u>	<u>2,439,460</u>	<u>320,497</u>	<u>6,590,888</u>
<b>Depreciation</b>						
At 1 April	237,271	-	454,742	1,666,762	191,753	2,550,528
Charge for the year	20,693	-	17,215	139,419	7,598	184,925
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,841)</u>	<u>(9,296)</u>	<u>(14,137)</u>
At 31 Dec	<u>257,964</u>	<u>-</u>	<u>471,957</u>	<u>1,801,340</u>	<u>190,055</u>	<u>2,721,316</u>
<b>Net book value:</b>						
At 31 Dec, 2009	1,188,824	1,842,700	69,486	638,120	130,442	3,869,572
	=====	=====	=====	=====	=====	=====
At 31 March, 2009	1,209,517	1,026,367	80,762	312,709	124,425	2,753,768
	=====	=====	=====	=====	=====	=====

	<b>9 Months ended 31/12/2009 ₹'000</b>	<b>12 Months ended 31/3/2009 ₹'000</b>
i) <b>Land and Building are Composed of:</b>		
Freehold	1,421,302	1,421,302
Short lease	<u>25,486</u>	<u>25,486</u>
	1,446,788	1,446,788
	=====	=====

ii) There is no asset for which there is no record of cost.

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
<b>9. Deposits</b>		
<i>.i Analysis by Category</i>		
Now	2,656,363	3,256,485
Savings	3,095,867	3,580,098
Time	<u>31,416,141</u>	<u>46,387,056</u>
	37,168,371	53,223,639
	=====	=====
<i>.ii Maturity Profile</i>		
Under 1 month	508,492	728,141
1 - 3 months	8,463,450	12,119,326
3 - 6 months	23,642,045	33,854,475
6 - 12 months	516,009	738,905
Over 12 months	<u>4,038,375</u>	<u>5,782,792</u>
	37,168,371	53,223,639
	=====	=====
<b>10. Due to Other Banks</b>		
In Nigeria	<u>1,171,397</u>	20,400,000
	=====	=====
<b>11. Taxation</b>		
<i>.i Profit and Loss Account</i>		
<b>Current Taxation</b>		
<i>Income tax:</i>		
Prior year under provision paid	-	117,590
Based on the profit for the year	<u>32,919</u>	<u>187,500</u>
	32,919	305,090
<i>Education tax</i>	<u>-</u>	<u>-</u>
	32,919	305,090
	-----	-----
<i>Deferred Tax</i>	321,021	24,273
	<u>353,940</u>	<u>329,363</u>
	=====	=====

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
<b>.ii Balance Sheet</b>		
<i>Income tax:</i>		
Based on profit for the year	32,919	187,500
Unpaid in respect of prior year	275,619	112,992
Payment during the period	-	-
<i>Education tax:</i>		
Based on profit for the year	-	-
	<u>308,538</u>	<u>300,492</u>
	=====	=====

- .iii The charge for taxation was based on the provisions of the Companies Income Tax Act (Cap.60 Laws of the Federation of Nigeria) and the Education Tax Act, 1993.

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
<b>12. Deferred Taxation</b>		
At 1 April	309,843	285,570
<i>Charge to Profit and Loss Account:</i>		
Movement during the year	<u>321,021</u>	<u>24,273</u>
	<u>630,864</u>	<u>309,843</u>
	=====	=====
<b>13. Other Liabilities</b>		
Inter-company account	1,200,142	480,000
Bills payable	485,047	791,287
Special suspense (note 13.i)	473,017	698,737
Unearned income	371,676	60,278
Interest payable	119,934	218,555
Uncleared effects	41,105	254,970
Inter-branch	22,648	405,302
Other credit balances (note 13.ii)	130,181	197,355
Sundry customers – Treasury	-	<u>67,403</u>
	<u>2,843,750</u>	<u>3,173,887</u>
	=====	=====

**13.i Special Suspense**

Special suspense represents the proceeds of several properties and investments which sales had not been completed as at 31 December, 2009. They include: -

	<b>9 Months ended 31/12/2009 ₦'000</b>	<b>12 Months ended 31/3/2009 ₦'000</b>
FCTA Mortgage	228,396	252,390
Special suspense – 1004 flats	180,619	-
Union Homes Mega Mall	31,037	-
Kuje Housing Estate	12,602	16,475
Agric Coker	7,270	153,721
Mortgage Deposit suspense	6,290	-
Nnamdi Azikiwe/Alli Balogun Shops	3,585	12,500
Tejuosho Ultra Modern shop	1,300	-
REIT Mortgages	-	171,537
Wilbahi Joint Project	-	65,500
Nigerian Wood Oregon Estate	-	16,160
Others	<u>1,918</u>	<u>10,454</u>
	473,017	698,737
	=====	=====

**13.ii Other Credit Balances**

Withholding taxes	66,101	124,328
Professional fee	9,000	10,000
JAMB/WAEC/Poly JAMB	5,708	8,322
Others	<u>49,372</u>	<u>54,705</u>
	130,181	197,355
	=====	=====

13.iii The Nigerian Information Technology Development Agency (NITDA) Act was signed into Law on 24 April, 2007. Section 12 (2a) of the Act stipulates that, “specified” Companies contribute 1% of their profit before tax to the Nigerian Information Technology Development Agency. However, since the company did not record any profit from its operations, no provision was made during the year.

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
<b>14. Share Capital</b>		
<i>.i Authorised: -</i>		
10,000,000,000		
ordinary shares of 50k each	5,000,000	5,000,000
	=====	=====
<i>.ii Issued and Fully Paid:</i>		
7,812,500,000 (31/03/2009 – 7,812,500,000)		
ordinary shares of 50k each	3,906,250	3,906,250
	=====	=====
	<b>N'000</b>	<b>N'000</b>
<b>15. Statutory Reserve</b>		
At 1 April	1,212,963	1,212,963
Transfer from profit & loss account	_____ -	_____ -
At year end	1,212,963	1,212,963
	=====	=====
<b>16. Share Premium</b>		
At April	2,035,032	2,992,771
Scrip issue	-	(781,250)
Share increase expenses	_____(1,944)	_____(176,489)
	2,033,088	2,035,032
	=====	=====

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
<b>17. General Reserve</b>		
At 1 April	61,128	2,931,886
Prior year adjustment	170,479	-
<i>Less:</i>		
Dividend paid	(5,212)	(625,000)
Transfer from profit & loss account	<u>(1,669,786)</u>	<u>(2,245,758)</u>
At year end	<u>(1,443,391)</u> =====	61,128 =====
<b>17.i Prior year adjustment:</b>		
This is in respect of the following: -		
Cost of shares not captured by management	193,294	-
Reversal of amortization of software purchased	4,769	-
Staff loans written off	(22,890)	-
Others	<u>(4,694)</u>	<u>-</u>
	170,479 =====	- =====
<b>18. National Housing Fund</b>		
At 1 April	432,171	517,599
Movement during the year	<u>(37,167)</u>	<u>(85,428)</u>
At year end	<u>395,004</u> =====	432,171 =====
<b>19. Mortgage and Other Interests</b>		
Interest on term loans and overdrafts	616,065	798,048
Interest on mortgage loans	1,866,753	1,407,361
Interest on placements	<u>1,920,012</u>	<u>4,305,244</u>
	4,402,830 =====	6,510,653 =====
<b>20. Interest Expenses</b>		
Savings accounts	97,461	437,527
Deposit accounts	<u>2,306,342</u>	<u>4,575,716</u>
	2,403,803 =====	5,013,243 =====

	<b>9 Months ended</b>	<b>12 Months ended</b>
	<b>31/12/2009</b>	<b>31/3/2009</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>21. Other Incomes</b>		
Commissions	150,422	157,678
Fees	137,803	337,208
Profit on disposal of investments	130,382	1,549,749
Income from investment	112,180	1,137,330
Profit on disposal of fixed assets	1,790	4,439
Others	<u>585,675</u>	<u>119,577</u>
	1,118,252	3,305,981
	=====	=====
<b>21.i Interest and Other Incomes (Cash flow)</b>		
Mortgage and other interests	4,402,830	6,510,653
Other incomes	<u>1,118,252</u>	<u>3,305,981</u>
<b>Gross Earnings</b>	5,521,082	9,816,634
Profit on disposal of fixed assets	(1,790)	(4,439)
Bad debts written off	(83,355)	-
Adjustments - loans provision	(782,148)	-
- Interest in suspense	<u>(14,953)</u>	<u>-</u>
	4,638,836	9,812,195
	=====	=====
<b>22. Reconciliation of net profit to net cash provided by operating activities</b>		
Loss after tax	(1,669,786)	(2,245,758)
<b>Adjustment to reconcile profit after tax to net cash provided by operating activities</b>		
Depreciation of fixed assets	184,925	303,514
Provision for bad and doubtful debts	740,603	(139,013)
Increase/(decrease) in taxes payable	8,046	15,883
Increase in deferred taxation	321,021	24,273
(Profit) on disposal of fixed assets	(1,790)	(4,439)
Provision for diminution in investments	140,748	2,863,291
Bad debts written off	(83,355)	-
Adjustments - loans provision	(782,148)	-
- Interest in suspense	(14,953)	-
<b>Change in assets and liabilities</b>		
Customer deposits	(16,055,268)	6,643,940
(Increase) in loans and advances	(987,586)	(1,853,351)
National Housing Fund	(37,167)	(85,428)
(Decrease)/increase in other assets	2,030,331	(4,304,115)
Due to other banks	(19,228,603)	4,800,000
Decrease in other liabilities	<u>(330,137)</u>	<u>(1,721,555)</u>
<b>Net cash from/(used in) operating activities</b>	(35,765,119)	4,297,242
	=====	=====





	<b>9 Months ended</b>	<b>12 Months ended</b>
	<b>31/12/2009</b>	<b>31/3/2009</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>26. Directors' Emoluments</b>		
i. Fees	1,895	2,700
Others	<u>92,874</u>	<u>103,436</u>
	94,769	106,136
	=====	=====
Chairman	794	7,231
Other Directors	<u>93,975</u>	<u>98,905</u>
	94,769	106,136
	=====	=====
ii. The number of Directors excluding the Chairman whose emoluments were within the following ranges were	<b>Number</b>	<b>Number</b>
730,001 - 740,000	-	1
1,030,001 - 1,040,000	-	1
4,420,001 - 4,430,000	-	1
5,060,001 - 5,070,000	-	1
5,360,001 - 5,370,000	-	1
5,560,001 - 5,570,000	1	-
6,220,001 - 6,230,000	1	-
6,310,001 - 6,320,000	1	-
6,320,001 and above	<u>3</u>	<u>4</u>
	6	9
	=====	=====
<b>27. Employees Remuneration at higher rates and staff costs</b>	<b>Number</b>	<b>Number</b>
i. The number of employees in receipt of emoluments excluding allowances and pension within the following ranges were:		
₦		
Below 90,000	11	17
90,001 - 100,000	6	6
100,001 - 110,000	3	4
110,001 - 120,000	17	14
120,001 - 130,000	13	13
130,001 - 140,000	5	9
140,001 - 150,000	3	6
150,001 - 160,000	88	48
160,001 - 170,000	5	5
170,001 - 180,000	12	7
180,001 - 190,000	11	9
190,001 - 200,000	2	1
200,001 and above	<u>571</u>	<u>542</u>
	=====	=====

.ii The average number of persons employed during the year was as follows:

	<b>9 Months ended 31/12/2009 Number</b>	<b>12 Months ended 31/3/2009 Number</b>
Managerial	262	232
Senior	338	329
Junior	<u>147</u>	<u>120</u>
	747	681
	=====	=====

	<b>9 Months ended 31/12/2009 N'000</b>	<b>12 Months ended 31/3/2009 N'000</b>
<b>.iii The Related Staff Costs Amounted to:</b>		
Staff cost	1,723,040	2,151,204
Pension costs	<u>306,250</u>	<u>208,776</u>
	2,029,290	2,359,980
	=====	=====

## 28. Guarantees and Other Financial Commitments

The balance of outstanding guarantees and indemnities issued by the company as at year end were as follows: -

	<b>N'000</b>	<b>N'000</b>
Guarantees and Indemnities	114,242	947,871
	=====	=====

The Directors are of the opinion that all known commitments and liabilities which are relevant in assessing the state of affairs of the company have been taken into account in the preparation of these financial statements.

## 29. Contravention

The company did not contravene any aspects of the Central Bank of Nigeria rules, regulations and guidelines during the year and no penalty was paid.

## 30. Post Balance Sheet Event

There was no significant post balance events.

### 31. Contingent Liabilities

There are contingent liabilities in respect of legal actions against the Company in the normal course of business for amounts totaling ₦25,296,098 (31/03/2009 – ₦27,792,532). The actions are being vigorously contested and the directors are of the opinion that no significant liability will arise therefrom.

### 32. Insider related credits

#### a) Performing

Branch	Account Name	Relationship with bank	Limit ₦'000	Date Granted	Expiry date	Balance performing ₦'000	Security	Value 30/4/10 ₦'000
Onipanu	Akinola Thomas I.	Ex. Non Exe. Director	47,025	16/07/07	16/07/09	5,364	Share Loan	20,000
Onipanu	Kofon Efiom.	Ex-non Exe Director	49,995	16/07/07	16/07/09	22,144	Share loan	2,000
Onipanu	Thomas S. O.	M. D	49,999	16/07/07	16/07/09	2,709	Share loan	10,000
Onipanu	Dogo I. B.	Ex. Director	50,000	16/07/07	16/07/09	50,648	EML	-
Onipanu	Anthony. Oboh	MD of Unique Ventures	10,000	16/03/05	16/03/05	5,123	Mort loan	5,000
Onipanu	Mrs. M.. Oboh	Ex-chairman's wife	12,000	6/02/07	6/02/22	10,390	Mort loan	12,000
Onipanu	Dr. B. B. Ebong	Ex. Chairman	89,000	19/11/07	19/12/11	24,213	Nil	-
Onipanu	Mr. & Mrs. Oboh Go&E.	Daughter of Ex Chairman	12,000	9/06/05	9/06/20	8,983	Mort loan	12,000
Onipanu	Azinge Victor N	Spouse of former DGM of Holding company	19,720	21/4/08	21/4/13	22,358	ML	19,700
Onipanu	Dimka I. Z.	DGM of holding Coy	23,468	27/03/08	27/12/13	25,415	ML	-
Wuse	Ramat Hotels & Suites Ltd	Wife of AGM Onipanu	80,000	7/5/09	6/5/19	80,000	Mort loan	85,000
Kano	M.D. Yusuf	Ex. DGM UBN Plc	9,000,000	5/6/07	5/7/10	<u>1,374</u>		<u>1,100</u>
Sub total						258,721		-

#### b) Non-performing

Branch	Account Name	Relationship with bank	Limit ₦'000	Date Granted	Expiry date	Balance non-performing ₦'000	Security	Class	Value 30/4/10
Onipanu	Bajomo Felix	Ex-Director of holding Company	60,000	12/4/04	12/4/09	62,995	ML	S	60,000
Onipanu	Mr. N. Chionuma	Ex-MD	30,000	27/11/06	27/5/07	12,000	ML	D	6,000
Balogun	Mrs. Elizabeth Musa	Sister-In-Law of Dr. Oboh							
		Ex. GMD UBN Plc	14,500	27/10/01	19/3/06	34,595	Nil	D	Nil
Onipanu	Ramat Hotels & Suites	Owned by Wife of AGM Onipanu				16,196	Nil	D	Nil
Onipanu	Mrs. C. N. Chionuma	Spouse of Ex-MD	10,000	29/12/05	29/12/06	2,948	Nil	D	Nil
Onipanu	Akanbi Timothy O.	Former DGM of holding Coy	5,000	30/3/05	30/3/06	<u>18,523</u>		L	-
						147,257		-	-

#### c) Credit to staff excluding executive directors

i) Still in employment	1,230,985
ii) Ex-Staff	<u>118,625</u>
	<u>1,349,610</u>
	-----
	<u>1,755,588</u>
	=====

33. **Balance with Group Companies**

During the year, the company undertook commercial arm's length transactions with some companies within the Union Bank of Nigeria Plc's Group. Balances included in these financial statements in respect of the Group are as follows: -

	<b>9 Months ended 31/12/2009 ₦'000</b>	<b>12 Months ended 31/3/2009 ₦'000</b>
<b>Cash and Short Term Funds</b>		
Union Bank of Nigeria Plc	(70,602)	24,825,065
Union Bank UK Plc	34,249	33,871
Consolidated Discount Limited	<u>1,000,000</u>	<u>8,000,000</u>
	963,647	32,858,936
	=====	=====
<b>Investments</b>		
Real Estate Investment Trust	5,000,000	5,000,000
Union Assurance Limited	1,466,000	966,000
UBN Property Company Limited	495,000	495,000
Saffer-Union (West Africa) Limited	<u>65,450</u>	<u>65,450</u>
	7,026,450	6,526,450
	=====	=====
<b>Loans and Advances</b>		
1004 Estates Limited	1,138,792	1,500,000
	=====	=====
<b>Other Assets</b>		
UHSL Pension Scheme	-	439,115
Saffer-Union (West Africa) Limited,	<u>10,502</u>	<u>10,502</u>
	10,502	449,617
	=====	=====
<b>Due to Banks and other financial Institutions</b>		
Union Bank of Nigeria Plc	1,171,397	13,000,000
	=====	=====

	<b>9 Months ended</b> <b>31/12/2009</b> <b>₦'000</b>	<b>12 Months ended</b> <b>31/3/2009</b> <b>₦'000</b>
<b>Other liabilities</b>		
UBN Properties Limited	480,000	480,000
Union Assurance Company Limited	500,000	-
Union Bank of Nigeria Plc	<u>220,142</u>	<u>-</u>
	1,200,142	480,000
	=====	=====

34. **Reclassification**

Certain prior year balances have been reclassified to enhance comparability with the current year presentation.

35. **Approval of Financial Statements**

These financial statements were approved by the Board of Directors of the company on 27 April, 2010.

**UNION HOMES SAVINGS AND LOANS PLC**

**STATEMENT OF VALUE ADDED**

	<b>9 Months ended</b>		<b>12 Months ended</b>	
	<b>31/12/2009</b>		<b>31/3/2009</b>	
	<b>₦'000</b>	<b>%</b>	<b>x'000</b>	<b>%</b>
<b>Gross Earnings</b>	5,521,082		9,816,634	
Interest Expenses	<u>(2,403,803)</u>		<u>(5,013,243)</u>	
	3,117,279		4,803,391	
Overheads and Payment for Other Services (Local)	<u>(2,218,910)</u>	---	<u>(3,431,292)</u>	---
<b>Value added</b>	898,369	100	1,372,099	100
	=====	===	=====	===
<b>Applied as follows:</b>				
<i>In Payment to Employees -</i>				
Salaries and Benefits	2,029,290	226	2,359,980	172
<i>In Payment to Government:</i>				
Current taxation	32,919	4	305,090	22
ITD Levy	-	-	-	-
<i>In Payment to Providers of Capital:</i>				
Dividend paid	-	-	625,000	46
<i>Retained for future maintenance of assets &amp; expansion of business:</i>				
Deferred Taxation	321,021	36	24,273	2
Depreciation	184,925	20	303,514	22
Loss for the Year	<u>(1,669,786)</u>	<u>(186)</u>	<u>(2,245,758)</u>	<u>(164)</u>
<b>Value added</b>	898,369	100	1,372,099	100
	=====	=====	=====	=====

**UNION HOMES SAVINGS AND LOANS PLC**  
**FINANCIAL SUMMARY**

	9 Months	Year ended			
	31/12/2009 N'000	31/3/2009 N'000	31/3/2008 N'000	31/3/2007 N'000	31/3/2006 N'000
<b>Assets</b>					
Cash and Short-term Funds	185,950	325,530	108,524	185,076	183,576
Due from Banks and Other					
Financial Institutions	1,516,918	37,381,754	36,270,934	33,061,847	28,544,685
Investments in shares	9,233,873	9,160,768	5,540,004	4,842,596	9,326,192
Federal Government Securities	73,848	5,273,848	8,573,848	7,886,546	6,500,000
Mortgage Loans and Advances	17,148,636	16,065,222	14,129,802	11,700,791	11,460,022
Other Assets	4,436,719	6,333,483	2,063,293	1,734,459	3,659,789
Investment in properties	11,761,318	7,761,032	9,499,143	8,287,098	-
Fixed Assets	<u>3,869,572</u>	<u>2,753,768</u>	<u>2,239,991</u>	<u>1,831,449</u>	<u>2,164,229</u>
	<u>48,226,834</u>	<u>85,055,405</u>	<u>78,425,539</u>	<u>69,529,862</u>	<u>61,838,493</u>
	=====	=====	=====	=====	=====
<b>Liabilities</b>					
Deposits	37,168,371	53,223,639	46,579,699	47,788,349	53,105,669
Due to Other Banks	1,171,397	20,400,000	15,600,000	9,000,000	3,000,000
Tax payable	308,538	300,492	284,609	100,479	36,240
Deferred Taxation	630,864	309,843	285,570	271,973	300,596
Other Liabilities	<u>2,843,750</u>	<u>3,173,887</u>	<u>4,895,442</u>	<u>3,421,041</u>	<u>2,416,687</u>
	<u>42,122,920</u>	<u>77,407,861</u>	<u>67,645,320</u>	<u>60,581,842</u>	<u>58,859,192</u>
	-----	-----	-----	-----	-----
<b>Capital and reserves</b>					
Called-up Share Capital	3,906,250	3,906,250	3,125,000	2,500,000	1,000,000
Share Premium	1,212,963	1,212,963	1,212,963	3,661,391	97,364
Statutory Reserve	2,033,088	2,035,032	2,992,771	813,516	613,385
General Reserve	<u>(1,443,391)</u>	<u>61,128</u>	<u>2,931,886</u>	<u>1,584,099</u>	<u>783,574</u>
<b>Shareholders' Fund</b>	<u>5,708,910</u>	<u>7,215,373</u>	<u>10,262,620</u>	<u>8,559,006</u>	<u>2,494,323</u>
National Housing Fund	<u>395,004</u>	<u>432,171</u>	<u>517,599</u>	<u>389,014</u>	<u>484,978</u>
	<u>6,103,914</u>	<u>7,647,544</u>	<u>10,780,219</u>	<u>8,948,020</u>	<u>2,979,301</u>
	-----	-----	-----	-----	-----
	<u>48,532,331</u>	<u>85,055,405</u>	<u>78,425,539</u>	<u>69,529,862</u>	<u>61,838,493</u>
	=====	=====	=====	=====	=====
Bonus Issue applied	-	781,250	625,000	-	-
	=====	=====	=====	=====	=====
<b>Profit and Loss Account</b>					
Gross Earnings	5,521,082	9,816,634	8,916,216	8,396,222	9,596,101
(Loss) Before Taxation	(1,315,846)	(1,916,395)	2,354,441	1,061,397	154,022
Current Taxation	(32,919)	(305,090)	(343,610)	(89,364)	(31,941)
Information Technology Dev. Levy	-	-	-	-	-
Deferred Taxation	(321,021)	(24,273)	(13,597)	(28,623)	(5,367)
(Loss)/profit after Taxation	(1,669,786)	(2,245,758)	1,997,234	1,000,656	116,714
Dividend Proposed	-	-	625,000	250,000	-
Dividend Paid	5,212	625,000	250,000	-	-
	=====	=====	=====	=====	=====
<b>Per 50 kobo Share Data (Adjusted):</b>					
Earnings	(N0.21)	(N0.29)	N0.26	N0.13	N0.01
Net Assets	N0.73	N0.93	N1.31	N1.09	N0.32
Total Assets	N6.17	N10.89	N10.04	N8.90	N7.92
Stock Exchange Quotation	N0.85	1.41	N8.80	N9.14	-
	=====	=====	=====	=====	=====

Per share data are based on the number of issued ordinary shares at 31 December, 2009