UCP PLC

Report and Financial Statements

For the year ended
31 March 2016

Contents

Chairman's Statement 1
Directors' Report 4
Statement of Directors' Responsibilities 6
Report of the Independent Auditors 7
Statement of Comprehensive Income 8
Statement of Changes in Equity 10
Statement of Cash Flows 11
Notes to the Financial Statements 12
Company Information 20

Chairman's Statement

Introduction

In January 2015 we were able to make an initial distribution to shareholders of 49.25 pence per share following the sale of our principal operating subsidiary, Candor Investments, to Brookfield.

The length of the future life of the Company and the amount and timing of further distribution(s) to shareholders will be dictated largely by two matters:

Firstly, we are seeking to recover UCP's share of certain funds, amounting to £15.8 million at the date of closing with Brookfield, which had been deposited by two of the project SPVs with Indian financial institutions which were not repaid as due, and were thus deducted from the consideration paid by Brookfield.

Secondly, we were advised to make a tax filing to the Indian authorities which was made in September 2015, and we are seeking confirmation that no tax is payable in India.

In the meantime the Company's affairs are being conducted as economically as possible, including reductions in external costs and also, for example, the frequency with which the Board has a formal physical meeting.

We held cash at 31 March 2016 of £25.6 million.

Recovery of Deposits from SREI & Aten: Losses caused by Nectrus

As referred to above, £15.8 million was the sterling value at the date of closing of the Candor sale, representing UCP's indirect interest in deposits placed by two of the project SPVs with Indian financial institutions SREI and ATEN (which includes Aten Capital and Aten PMS) and which were not repaid as due. The sale and purchase agreement for the sale of Candor provided that these amounts be deducted from the Candor sale proceeds, and set out a mechanism by which the recovery of the deposits is to be pursued and the sums recovered ultimately paid to UCP.

Recovery of the deposits is being actively pursued through various avenues including the Indian arbitration processes prescribed under the deposit agreements.

A claim for damages has also been notified to the Company's former investment manager Nectrus for £18.2 million which comprises the £15.8 million deducted from the sale proceeds, interest, and an estimate of the total costs associated with the recovery of these

funds. The deposits were denominated in Rupees, whereas the loss suffered by UCP was a sterling amount, and the costs being incurred in seeking recovery are variously in Sterling, Rupees and US Dollars.

The Board believes that the placing of the deposits represented breaches by Nectrus of the investment management agreement with inter alios the Company, and accordingly it withheld £18.2 million from funds otherwise payable to Nectrus pursuant to the shareholder distribution in January 2015.

The Company has sought to mitigate its loss by assisting the SPVs in recovery of the deposits by way of three sets of similar actions in India. As and when the deposits are recovered, any net recovery by UCP (i.e. less costs, interest and any other deductions) would result in the release of a corresponding amount of the withheld distributions, so as not to give rise to a double recovery. Given that the claims are ongoing, we are not in a position to provide further detail save to say that all efforts are focused on the recovery of these funds. As with all such processes, the timing and outcome are not wholly predictable, but the provisions of the Indian Arbitration Act, which came into force nine months ago, are helpful and look to awards to be made within 12 months of the commencement of arbitration. An arbitrator has been appointed in each of the three arbitrations.

The amounts due to UCP in relation to the SPV deposits are recognised in the Financial Statements as a contingent asset of up to £18.4 million (being the Sterling value at closing of the Rupee amounts deposited, plus estimated interest and exchange movement to 31 March 2016, amounting to 1.75 billion Rupees in total). As a result of the exchange rate movements in recent weeks, the contingent asset is currently valued at approximately £19.8 million. Note 9 at page 17 sets out further information.

Provision for Run-Off Costs

The financial statements contain a provision of £1.65 million to cover the anticipated future running costs of the Company, including legal fees and costs relating to a winding up. The actions to recover the deposits in India have the potential to be subject to delays and unanticipated procedural developments, and therefore the actual future costs may differ significantly from the amounts estimated in the provision.

Indian Tax

UCP reserved £4 million in cash for any potential Indian tax liability in its calculation of the amount available for distribution in January 2015. We continue to be advised that no tax is payable on the disposal of Candor, but that the tax filings in India were nevertheless required. The tax return was filed in September 2015. Official confirmation of a nil assessment is being sought. Assuming the nil assessment is confirmed, this £4 million cash would be available for distribution to shareholders.

Trading on AIM

As previously announced, the Company's shares were suspended from trading on AIM on 5 November 2015 being the 12 month anniversary of completion of the sale of Candor. In accordance with the AIM Rules, the shares were subsequently de-listed from AIM on 6 May 2016. The Company's administrator, FIM Capital Limited ('FIM'), has agreed to provide a service to assist in providing liquidity for shareholders through matched bargains. FIM is regulated by the Isle of Man Financial Services Authority and the UK Financial Conduct Authority. Any shareholder interested in trading in the Company's shares should contact FIM and lodge an expression of interest. FIM will thereafter introduce buyers and sellers to each other as appropriate, with trades to be effected off-market.

Further Distribution to Shareholders

We intend to continue to implement our strategy of actively pursuing recovery of the deposits from SREI and ATEN, maintaining our claims against Nectrus, and possibly commencing actions against other parties where appropriate, closely monitoring our costs, minimising expenses and ultimately returning the residual capital to shareholders.

Donald Lake
Chairman
21 July 2016

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2016.

Principal Activities

UCP PLC (the "Company") is an investment company established to invest in the Indian real estate sector. On 4 November 2014 the Board of the Company announced that it had completed the sale of the Company's wholly owned direct subsidiary Candor Investments Limited ("Candor"). The sale of Candor resulted in the sale of all the Company's subsidiaries and joint ventures.

The Company was previously "Unitech Corporate Parks PLC", but changed its name to "UCP plc" on 11 November 2015.

The Company had an initial life of eight years which has been extended from 31 December 2014 to 31 December 2017 in accordance with the Company's Articles of Association which also provide an end to the life of the Company on 31 December 2018.

The Company was re-registered under the Isle of Man Companies Act 2006 on 2 October 2013.

Public Trading in Shares

The Company's shares were admitted to trading on AIM in 2006. On 5 November 2015, being one year from the date on which the Company sold its investment portfolio and not having implemented a new investing policy, trading in the Company's shares on AIM was suspended. On 6 May 2016, i.e. six months after suspension, AIM cancelled the admission of the Company's shares, as a new investing policy had still not been implemented.

Investing Policy

The Company's Investing Policy, as adopted on 27 June 2014, is "to return capital to Shareholders following completion of the sale of Candor. The return of capital, amounting to almost all of the expected net proceeds from the sale of Candor, is expected to be effected by way of a Shareholder distribution which will be subject to the formal approval by Shareholders of the Company at a future extraordinary general meeting. Such meeting is expected to be held within 3 months of Completion. Thereafter, the Company will conduct its affairs to comply with post Completion obligations relating to the Disposal and at the end of such period any residual funds will be returned to Shareholders by way of a members' voluntary winding up or other restructuring, subject to approval by Shareholders. On adoption of the New Investing Policy, the Company shall not make any new investments."

Exit Strategy

Following completion of the sale of the shares of Candor a return of capital was effected in accordance with the Investing Policy. The Company is entitled to recover some residual assets in India whose value was deducted from the sale consideration as described more fully in the Chairman's Report. Thereafter, any residual funds will be returned to Shareholders by way of a members' voluntary winding up or other restructuring, subject to approval by Shareholders.

Results

The Company's financial statements are set out on pages 8 to 20. The Company reported net assets at the date of the statement of financial position of £5.7 million (2014: £5.8 million) and for the year ended 31 March 2016 total comprehensive loss attributable to the shareholders of £0.2 million (year ended 31 March 2015: loss £19.3 million).

Directors

The Directors of the Company throughout the year and to date were:

Mohammad Yousuf Khan
Donald Lake
Nicholas Robert Sallnow-Smith
John Keith Sleeman

The following Director had interests in the shares of the Company as at 31 March.

	2016	2015
Donald Lake	42,500	42,500

In addition, a person connected with Donald Lake held 115,000 shares acquired in 2007 and 2011.

Secretary

The Secretary of the Company throughout the year and to date was:
Philip Peter Scales
Graham Roger Smith - Assistant Company Secretary

Auditors

KPMG Audit LLC, Isle of Man, being eligible, has indicated its willingness to continue in office.

By order of the Board

P. P. Scales
Company Secretary **21 July 2016**

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union ("EU").

The financial statements are required to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time its financial position. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

By Order of the Board

P. P. Scales
Company Secretary **21 July 2016**

Report of the Independent Auditors, KPMG Audit LLC, to the members of UCP PLC

We have audited the financial statements of UCP PLC for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs), as adopted by the EU.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition we read the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of the Company's loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the EU.

Emphasis of matter – contingent asset

In forming our opinion on the financial statements, which is not modified, we would highlight the disclosures made in note 9 to the financial statements concerning a contingent asset estimated at £18.4m. The contingent asset is in respect of the recovery of funds deposited or invested by two project special purpose vehicles: Unitech Developers & Projects Limited and Unitech Realty Projects Limited with Indian financial institutions, which were deducted from the consideration received on the sale of the Company's interest in Candor. The contingent asset comprises the funds deposited or invested in Rupees plus accrued interest and has been converted to Sterling at the year-end foreign currency exchange rate. The recovery is being pursued through a number of avenues, including arbitration in the Indian courts and a claim notified against Nectrus Limited, the former investment manager, and, as is the case in any such disputes, is uncertain.

KPMG Audit LLC, Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN **21 July 2016**

Statement of Comprehensive Income

	Notes	Year ended 31 March 2016 £ 000	Year ended 31 March 2015 £ 000
Income			
Interest income on cash balances		**76**	65
		76	65
Expenditure			
Other operating expenses	5	**1,597**	2,323
Movement in provision for run-off costs	6	**(1,350)**	1,250
		247	3,573
Operating loss for the period		**(171)**	(3,508)
Change in fair value of assets held for sale		**-**	(1,138)
De-recognition of other receivables		**-**	(14,624)
Loss for the year before tax		**(171)**	(19,270)
Current tax expense	7	**-**	-
Loss for the year and total comprehensive loss for the year		**(171)**	(19,270)
Basic and diluted loss per share	8	**(0.05)p**	(5.35)p

The notes on pages 12 to 19 form an integral part of these financial statements.

UCP PLC

Statement of Financial Position

	Notes	31 March 2016 £ 000	31 March 2015 £ 000
Current assets			
Trade receivables and prepayments		**6**	16
Cash and cash equivalents	10	**25,579**	27,200
		25,585	27,216
Total assets		**25,585**	27,216
Financed by:			
Equity			
Share capital and reserves			
Share capital	11	**3,600**	3,600
Distributable reserves		**2,069**	2,240
		5,669	5,840
Current liabilities			
Trade and other payables	12	**97**	207
Distribution payable	13	**18,169**	18,169
Provision for run-off costs	6	**1,650**	3,000
Total liabilities		**19,916**	21,376
Total equity and liabilities		**25,585**	27,216

The notes on pages 12 to 19 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 21 July 2016 and signed on their behalf by:

Donald Lake
Director

Nicholas Sallnow-Smith
Director

Statement of Changes in Equity

	Share capital	Distributable reserves	Total
	£ 000	£ 000	£ 000
Balance at 1 April 2014	3,600	198,810	202,410
Total comprehensive loss for the year:			
Loss for the year	-	(19,270)	(19,270)
Total comprehensive loss for the year	-	(19,270)	(19,270)
Distributions to shareholders	-	(117,300)	(177,300)
Balance at 31 March 2015	3,600	2,240	5,840
Balance at 1 April 2015	3,600	2,240	5,840
Total comprehensive loss for the year:			
Loss for the year	-	(171)	(171)
Total comprehensive loss for the year	-	(171)	(171)
Balance at 31 March 2016	3,600	2,069	5,669

The notes on pages 12 to 19 form an integral part of these financial statements.

Statement of Cash Flows

	Year ended 31 March 2016 £ 000	Year ended 31 March 2015 £ 000
Operating activities		
Loss for the period before tax	**(171)**	(19,270)
Adjustments for:		
Interest income from cash and cash equivalents	**(76)**	(65)
De-recognition of other receivables	**-**	14,624
Change in fair value of assets held for sale	**-**	1,138
Foreign exchange loss	**10**	21
Operating loss before changes in working capital	**(237)**	(3,552)
Decrease in trade receivables and prepayments	**10**	7
Decrease in trade and other payables	**(110)**	(5)
(Decrease)/increase in provisions	**(1,350)**	1,250
	(1,450)	1,252
Tax paid	**-**	-
Net cash used in operating activities	**(1,687)**	(2,300)
Investing activities		
Interest received	**76**	65
Proceeds received from sale of Candor Investments Limited	**-**	188,927
Loan repayment from Candor Investments Limited	**-**	1,000
Release of disposal cost provision	**-**	(2,115)
Net cash generated from investing activities	**76**	187,877
Financing activities		
Distributions paid to shareholders	**-**	(159,131)
Net cash used in financing activities	**-**	(159,131)
(Decrease)/increase in cash and cash equivalents	**(1,611)**	26,446
Cash and cash equivalents at beginning of year	**27,200**	775
Exchange difference on cash and cash equivalents	**(10)**	(21)
Cash and cash equivalents at end of the year	**25,579**	27,200

The notes on pages 12 to 19 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2016

1. Reporting entity

UCP PLC (the "Company") is a closed-ended investment company domiciled in the Isle of Man. It was incorporated on 6 September 2006 in the Isle of Man as a public limited company.

The Company does not have any employees.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, International Financial Reporting Interpretations Committee (“IFRIC”) interpretations and the Isle of Man Companies Act 2006.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis. On 4 November 2014 the Company completed the sale of the entire issued share capital of Candor Investments Limited (“Candor”) to an affiliate of Brookfield Property Partners (“Brookfield”). After the distribution of cash generated by this sale the Company is expected to be wound up in accordance with its Investing Policy. In light of this the financial statements have been presented on a non-going concern basis. The assets of the Company have been stated at realisable value and provision has been made for the unavoidable costs of winding up the Company.

2.3 Functional and presentation currency

These financial statements are presented in British pounds, which is the Company's functional currency and presentation currency.

2.4 Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 6 Provision for run-off costs and Note 9 Contingent assets.

2.5 Future changes in accounting policies

There are no standards or interpretations with an effective date on or after 1 April 2016 that are considered will have a significant effect on the financial statements.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to pounds sterling at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on translation are recognised in Statement of Comprehensive Income.

3.2 Interest income

Interest income comprises bank interest earned on cash and cash equivalents and is recognised on an accruals basis using the effective interest rate method.

3.3 Expenses

Expenses are accounted for on an accruals basis.

3.4 Income tax expense

Income tax expense comprises current tax. Current tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3.5 Earnings per share

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

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.7 Contingent assets

Contingent assets are assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. Contingent assets are not recognised in the Statement of Financial Position but are disclosed in the Notes to the Financial Statements when an inflow of economic benefit is probable.

3.8 Provision for run-off costs

Following the realisation of the Company's investments, the return of cash to shareholders and the intention to wind-up the Company's affairs, provision is made for the total estimated future costs up to and including the winding up. The provision includes estimates of all costs incurred in dealing with outstanding matters.

4. Financial risk management

4.1 Financial risk factors

The Company's principal financial risks have changed since the sale of the entire share capital of Candor. The principal risks that the Company is exposed to are now market, credit and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below.

4.2 Market risk

(i) Foreign currency risk

The Company's principal operating currency is the British pound but substantially all of the operating income and expenditure of the Company were denominated in Indian Rupee prior to the sale of Candor.

All monies returned to shareholders and the reported net asset value of the Company is denominated in British pounds.

The Company is exposed to foreign currency risk on the contingent assets which it is seeking to recover (see note 9) as these are denominated in Indian Rupees.

(ii) Cash flow and fair value interest rate risk and sensitivity

The Company holds financial assets that are interest bearing. As a result the Company is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial assets and liabilities at the earlier of contractual re-pricing or maturity date, measured by the carrying values of assets and liabilities:

31 March 2016	**Less than 1 month**	**1 – 3 months**	**3 mths to 1 year**	**1 – 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
	£ 000	**£ 000**	**£ 000**	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Financial assets							
Trade receivables and prepayments	-	-	-	-	-	6	6
Cash and cash equivalents	25,579	-	-	-	-	-	25,579
Total financial assets	25,579	-	-	-	-	6	25,585
Financial liabilities							
Trade and other payables	-	-	-	-	-	19,916	19,916
Total interest rate sensitivity gap	25,579	-	-	-	-	-	-

31 March 2015	**Less than 1 month**	**1 – 3 months**	**3 mths to 1 year**	**1 – 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
	£ 000	**£ 000**	**£ 000**	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Financial assets							
Trade receivables and prepayments	-	-	-	-	-	16	16
Cash and cash equivalents	27,200	-	-	-	-	-	27,200
Total financial assets	27,200	-	-	-	-	16	27,216
Financial liabilities							
Trade and other payables	-	-	-	-	-	21,376	21,376
Total interest rate sensitivity gap	27,200	-	-	-	-	-	-

During the year, interest income from cash was £76,000 (2015: £64,000). At 31 March 2016, if interest rates on average had increased/ decreased by 0.25% with all other variables held constant, total comprehensive income for the year would increase/decrease by £64,000 (2014: 68,000).

Notes to the Financial Statements (continued)

4. Financial risk management (continued)

4.3 Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered with the Company.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates to financial assets carried at amortised cost, as they have a short term maturity.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2016	**2015**
	£ 000	£ 000
Trade receivables and prepayments	**6**	16
Other receivables	**-**	-
Cash and cash equivalents	**25,579**	27,200
	25,585	27,216

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company is also exposed to credit risk related to the recoverability of deposits lent and investments made by two of the Indian joint ventures. The deposits and investments, classified as contingent assets, are denominated in Indian Rupees so the value of the adjustment may vary to that calculated at 31 March 2016. See note 9.

4.4 Liquidity risk

The Company manages its liquidity risk by maintaining sufficient cash balances to meet its obligations. The Company's liquidity position is monitored by the Board of Directors. A maturity analysis showing the remaining contractual maturities of financial liabilities at year-end is shown below:

31 March 2016	**Less than 3 months**	**3 months to 1 year**	**1-5 years**	**Over 5 years**
	£ 000	**£ 000**	**£ 000**	**£ 000**
Financial liabilities				
Provision for run-off costs	**500**	**1,150**	-	-
Trade and other payables	**97**	**18,169**	-	-
	597	**19,319**	**-**	**-**

31 March 2015	**Less than 3 months**	**3 months to 1 year**	**1-5 years**	**Over 5 years**
	£ 000	**£ 000**	**£ 000**	**£ 000**
Financial liabilities				
Provision for run-off costs	**500**	**2,500**	-	-
Trade and other payables	**207**	**18,169**	-	-
	707	**20,669**	**-**	**-**

Trade and other payables classified as payable within 3 months to 1 year include £18,2 million payable to Nectrus which has been withheld from the amount distributed by the Company during the year. See note 13 for further details.

Notes to the Financial Statements (continued)

5. Other operating expenses

Other operating expenses comprise of:

	2016	2015
	£ 000	£ 000
Administration fees	**177**	210
Valuation fees	**-**	3
Legal and advisory fees	**877**	387
Directors fees and expenses (see note 14)	**319**	356
Audit fees	**38**	30
NOMAD and LSE expenses	**148**	328
Other expenses	**38**	60
	1,597	1,374
Expenses in relation to the disposal of Candor	**-**	949
	1,597	2,323

6. Provision for run-off costs

A provision has been made for the estimated unavoidable costs that are expected to be incurred up to and in respect of the winding up of the Company. At 31 March 2016 it was estimated that these costs, consisting primarily of legal costs associated with the recovery of the funds described in note 9 and including general running costs of the Company and certain contingencies, are likely to be £1.7 million (31 March 2015: £3.0 million). This is a key uncertainty in the preparation of the financial statements and any adjustment between the amount provided and costs actually incurred will be reflected in subsequent years.

7. Taxation

A standard zero per cent rate of income tax applies for Isle of Man companies (except in relation to profits arising from banking, or from land and property in the Isle of Man).

UCP had reserved £4 million in cash for a potential Indian tax liability in its calculation of the amount available for distribution in January 2015. We continue to be advised that no tax is payable on the disposal of Candor, but tax filings in India are nevertheless required. The tax return has now been filed. The official confirmation of a nil assessment has not yet been received and we have no information as to how long this will take. Assuming the nil assessment is confirmed, this £4 million cash would be available for distribution to shareholders.

8. Basic and diluted loss per share

	2016	2015
Loss attributable to ordinary shareholders (£ 000)	**(171)**	(19,270)
Weighted average number of ordinary shares in issue (number 000)	**360,000**	360,000
Basic loss per ordinary share (in pence)	**(0.05)**	(5.35)

The Company has no dilutive potential ordinary shares. The diluted loss per share is therefore the same as the basic loss per share.

9. Contingent assets

At the time of completion of the sale of Candor to an affiliate of Brookfield Property Partners (Brookfield), funds placed by two of the project SPVs with Indian financial institutions SREI and Aten had not been repaid as due despite demand. Accordingly, £15.8 million was deducted from the consideration payable by Brookfield and certain provisions of the sale and purchase agreement relating to the sale of Candor (SPA) came into effect.

The project SPVs, Unitech Developers & Projects Limited (UDPL) and Unitech Realty Projects Limited (URPL), in which UCP had a 60% interest, had placed funds with SREI Infrastructure Finance Limited (SREI), Aten Capital Pvt. Limited (Aten Capital) and Aten Portfolio Managers Services Pvt. Limited (Aten PM). The amounts were deposited or invested in either "inter corporate deposits" or "non-convertible debentures" as follows:

SREI	INR 1,500,000,000	(150 crores)
Aten Capital	INR 30,000,000	(3 crores)
Aten PM	INR 900,000,000	(90 crores)
TOTAL	**INR 2,430,000,000**	**(243 crores)**

At the date of completion of the sale of Candor (4 November 2014) the equivalent total in GBP of the amounts deposited or invested, including accrued interest, was £26.3 million. Interest was to have accrued on the balance with SREI at a rate of 10.9% and at a rate of between 16% and 18% on the balance(s) with Aten. UCP's interest in these monies was 60%, reflecting the Company's holdings in the SPVs. At 31 March 2016 estimated its interest to be INR 1.75 billion or £18.4 million (31 March 2015: £17.8 million)

The arrangements with SREI and Aten by the SPVs were not properly reported to, or approved by, the UCP Board, nor were they in accordance with the UCP Board's Treasury Policy and the Investment Management Agreement (IMA) between Nectrus, Candor and UCP. Nectrus has been notified of its breaches of the IMA and a claim for £18.2 million in damages arising from: (i) the non-recovery of the funds, leading to the £15.8 million deduction from the consideration paid by Brookfield, and (ii) current and anticipated costs associated with the recovery, estimated at that time to be £2.4 million. UCP accordingly withheld £18.2 million from the cash return attributable to the shares held by Nectrus pursuant to the distribution in January 2015, as referred to in note 13, pending recovery from SREI and Aten.

Claims have been commenced against SREI and the Aten entities by UDPL and URPL. The SPVs are now both 100% subsidiaries of Brookfield (Brookfield having acquired 60% of each through the purchase of Candor, and the remaining 40% subsequently). Brookfield has undertaken to assist with recovery of the monies, including assisting in these courses of action.

Each of the agreements between UDPL and URPL and SREI and the Aten entities provides for disputes to be determined through arbitration. Arbitration proceedings and/or proceedings in aid of arbitration have been commenced in India, under the Indian Arbitration Act 1996.

Both Aten PM and Aten Capital are defending the claims against them. In the Indian Court proceedings in aid of arbitration, Aten Capital has alleged that an unwritten and unevidenced consensus terminated its agreement with UDPL and allowed it to retain the disputed 3 crore of principal. In that same action Aten Capital has been required to lodge a bank guarantee in the amount of INR 36,000,000 as security and this will remain in place until at least August of 2016. Aten PM's defence is based on the premise that it is a mere portfolio advisor with no liability for losses incurred on investments made through it. Enquiries have been made in respect of the private companies into which Aten PM invested the SPV's funds.

In response to the action against it, SREI has claimed that it was entitled to offset the monies deposited with it by UDPL (150 crore) against amounts due to it from Unitech Limited (UL) on which UL has defaulted. Despite extensive forms of security which SREI had in respect of the UL debts, in the UDPL proceedings SREI seeks to rely on an un-evidenced "inter se" agreement that the UDPL monies could be offset against the amounts due from UL. SREI claims to have assumed that UCP was a part of the 'Unitech group' despite all public information to the contrary, and despite having been put on notice by UCP that any such belief was erroneous.

In accordance with accounting standards, this receivable estimated to be INR 1.75 billion or £18.4 million is treated as a contingent asset and accordingly is not included in the Statement of Financial Position.

Notes to the Financial Statements (continued)

10. Cash and cash equivalents

The Company's cash and cash equivalents are held with two major global banks and are analysed as follows:

	2016 £ 000	2015 £ 000
Short-term deposits	**25,541**	27,150
Current accounts	**38**	50
	25,579	27,200

11. Share capital and reserves

11.1 Capital management

Company capital comprises share capital and distributable reserves. The Company is not subject to externally imposed capital requirements.

11.2 Share capital

	Number 000	£ 000
Ordinary shares of par value £0.01 each		
Authorised	**500,000**	**5,000**
Issued	**360,000**	**3,600**

The distribution declared on 7 January 2015 was returned to Shareholders by way of a B share scheme. 360,000,000 B shares were issued on that date and allotted to Shareholders. The B shares were neither quoted nor admitted to trading on AIM. The B shares were then either cancelled on purchase back by the Company or converted to deferred shares with extremely limited rights and negligible value, depending on the distribution method chosen by the Shareholder.

12. Trade and other payables

The Company's trade and other payables are analysed as follows:

	2016 £ 000	2015 £ 000
Trade payables	**66**	64
Accruals	**31**	143
	97	207

13. Distribution payable

A distribution of 49.25 pence per share was declared on 7 January 2015. From the total distribution payable of £177.3 million, £18.2 million was withheld from the amount due to Nectrus in its capacity as the beneficial owner of 49,042,428 Ordinary Shares in the Company. The Company has an outstanding claim against Nectrus with respect to significant damages resulting from breaches by Nectrus of the Investment Management Agreement in relation to the contingent assets as described in note 9, and the withheld distribution equaled the estimated total loss. This consisted of £15.8 million withheld from the sale proceeds of Candor in relation to the deposits and investments, plus estimated legal costs of £2.4 million relating to their recovery.

Nectrus has filed proceedings in Cyprus for the non-payment of the distribution. UCP believes that, amongst other things, the Cypriot courts have no jurisdiction, and is therefore taking steps to strike out the action.

Notes to the Financial Statements (continued)

14. Directors' fees

Mr. Lake receives an annual Director's fee of £60,000 (2015: £60,000) for carrying out his role as Chairman of the Board. He also received an additional £108,000 during the year (2015: 60,000) for extra work carried out from mid 2014 onwards. This extra work comprised management of the sale of Candor, which could not be carried out by Nectrus because of their clear conflict of interest, and of the subsequent legal actions in relation to the contingent assets as described in note 9. The remainder of the Board considered that his role in these activities was over and beyond his normal duties as non-executive Chairman, and that it was necessary because the Company has no internal management resources and it represented the most cost effective method of handling the matters.

The other Directors receive fees of £27,500 per annum (2015: £27,500).

All directors receive a sitting fee of £1,000 for each Board Meeting attended.

Mr. Sallnow-Smith receives an additional £5,000 per annum (2015: £5,000) for his role as Chairman of the Audit Committee.

15. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

As at 31 March 2016 and at 31 March 2015 Donald Lake was beneficially interested in 42,500 Ordinary Shares in the Company, and a person connected with him held 115,000 shares.

16. Net asset value per share

	2016	**2015**
Net asset value (£ 000)	**5,669**	5,840
Ordinary shares in issue (number 000)	**360,000**	360,000
Net asset value per ordinary share (pence)	**1.6**	1.6

17. Subsequent events

There are no significant subsequent events.

Company Information

Directors (all non-executive)

Donald Lake (Chairman)
Mohammad Yousuf Khan
Nicholas Robert Sallnow-Smith
John Keith Sleeman

Company Secretary Philip Peter Scales
Assistant Company Secretary Graham Roger Smith

Registered Office
IOMA House
Hope Street
Douglas
Isle of Man IM1 1AP

Company Number 010231V

Crest Service Provider
Capita Registrars (Jersey) Limited
Victoria Chambers, Liberation Square
1/3 The Esplanade
St. Helier
Jersey

Independent Auditors
KPMG Audit LLC
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN

Administrator
FIM Capital Limited
IOMA House
Hope Street
Douglas
Isle of Man IM1 1AP