Afriland Properties Plc

RC: 684746




2014

Annual Reports

& Account

Contents

Directors and Other Corporate Information

FOR THE YEAR ENDED 31 DECEMBER 2014

Company Registration Number:	RC: 684746	
REGISTERED OFFICE	Afriland Properties Plc 223 Etim Inyang Crescent, Victoria Island, Lagos.	
BOARD OF DIRECTORS	Erelu Angela Adebayo	Chairman
	Uzoamaka Oshogwe	Managing Director/CEO
	Olayinka Ogunsulire	Non-Executive Director
	Ike Ogbue	Non-Executive Director
	Samuel Nwanze	Non-Executive Director
	Emmanuel Nnorom	Non-Executive Director (appointed October 30, 2014)
SECRETARY	Obong Idiong	
WEBSITE	www.afrilandproperties.com	
AUDITORS	Ernst & Young (Chartered Accountants) 10th& 13th Floor UBA House 57 Marina, Lagos	
PRINCIPAL BANKER	United Bank for Africa Plc	
SOLICITORS	M. E. Esonanjor & CO. (Barristers, Solicitors & Legal Consultants) 27, Oyewole Street Palmgrove-Ilupeju Lagos.	
	Ogbemudje, Omezi& Co. (Barristers & Solicitors) 5th Floor, 21 Boyle Street Onikan, Lagos.	
REGISTRAR	Africa Prudential Registrars Plc 220B, Ikorodu Road Palmgrove Lagos.	
Bankers	United Bank for Africa Plc UBA House 57 Marina Lagos	

Company Overview

VISION & MISSION STATEMENTS

Our Vision:

To be Africa's leading Real Estate Company that creates long term value for all stakeholders

Our Mission

To deliver world class services and developments by leveraging global best practices, strategic partnerships, excellence and innovation

Who We Are
Afriland Properties Plc, was incorporated as a private limited liability Company on March 14, 2007 and is headquartered in Lagos, Nigeria with other satellite locations in Abuja, Port-Harcourt, Benin and Ibadan.

It is a Nigerian based property management, investment and development company offering end-to-end services along the real estate value chain, from management to joint venture investments. With one of the largest land banks in Nigeria, Afriland is pioneering the opportunities presented by an institutional approach to real estate, serving niche markets throughout Africa.

Afriland Properties Plc was borne out of United Bank for Africa Plc's ("UBA") decision to evolve into a commercial bank ring fenced from all other non-commercial banking activities. As a result of the restructuring, Afriland Properties Plc owns all the excess real estate assets of the bank with a view to being listed on the NSE in the near future. UBA transferred all its excess real estate assets to Afriland Properties Plc via the execution of instruments transferring the assets to Afriland.

Afriland Properties Plc's aim is to provide adequate infrastructural development as well as to fully optimize and commercialize its existing real estate portfolio. Afriland Properties Plc targets two (2) key customer segments: Residential and Commercial investors".

OUR CORE VALUES

Hardwork
- Passionate about extraordinary results
- Discipline
- Commitment to excellence

Emotional Intelligence
- Self-awareness and emotional self-control
- Respect for others

Integrity
- Delivering on your promise
- Exceeding expectations
- Living the brand

Resilience
- Can do Spirit
- Breakthrough thinking
- Following-through to ensure results

Synergy
- Collaborating with colleagues
- Leveraging group relationships

Result at a Glance

31 December	2014 ₦'000	2013 ₦'000
Operating income	**1,090,436**	**595,445**
Operating profit	**1,613,151**	**363,605**
Profit before taxation	**1,744,958**	**424,747**
Earnings per share	₦1.27	₦0.28

31 December	2014 ₦'000	2013 ₦'000
Total assets	8,195,235	4,234,168
Total equity	5,404,672	2,827,325

Board of Directors

Erelu Angela Adebayo - Chairman

Erelu Angela Adebayo is the Chairman of Afriland Properties Plc. Born in the United Kingdom, she holds a BSc with honours in Social Science and an MBA, as well as an MPhil (Cantab) in Land Economy from the University of Cambridge.

She has cut her niche in the banking and real estate sectors of the economy. She managed a leading real estate company, Quintecca, from 1990 and sits on the board of so many companies which include DN Meyer Plc and Dangote Foundation.

Erelu was the first lady of Ekiti State between 1999-2003. She is a traditional chieftaincy titles holder in Ekiti State, (Aare Erelu of Ado Ekiti and Erelu of IyinEkiti

Uzoamaka Oshogwe - Chief Executive Officer

Uzoamaka Oshogwe is the Managing Director of Afriland Properties Plc, and joined the company when it was still known as UBA Properties.

She holds a BSc in Chemistry (1989) from Ambrose Alli University, Edo State and an MSc Information Systems Design (1996) from the University of Westminster, London. She has over 20 years' working experience, mainly in Information Technology and Banking.

Prior to joining UBA, she worked for over a decade as an IT Specialist at Accenture UK based at several clients' sites, including Jones LaSalle Europe, a financial and professional services firm specializing in real estate services and investment management

OlayinkaOgunsulire - Non-Executive Director

Yinka Ogunsulire, who is regarded as one of the leading property development professionals in Nigeria, was the past Chief Executive Officer of Heirs Real Estate and is currently the Chief Executive Officer of Orange Island Development Company Limited.

Prior to that, she was the Managing Director of ARM Properties Plc, the real estate subsidiary of Asset and Resource Management Limited.

She holds an M.Phil in Land Management from the University of Reading, England. She has been a member of the Royal Institution of Chartered Surveyors since 1992

Samuel Nwanze - Non-Executive Director

Sam Nwanze is the Director, Finance & Investment Officer at Heirs Holdings, where he is responsible for the administration and management of the group's overall financial activities and investment programmes.

He has a Masters in Finance and Management from Cranfield School of Management (UK). Prior to joining Heirs Holdings, Sam worked in banking institutions in various roles that saw him oversee strategy, financial control, performance management and treasury, as well as play a key role in the STB-UBA merger

Board of Directors

Ike Ogbue - Non-Executive Director

Ike Ogbue RIBA is a British-trained Architect, Designer and Project Manager with more than 25 years of practice in the profession.

In the UK, he worked for Kohn Pedersen Fox, Candy & Candy, Building Design Partnership, and Terry Farrell on projects in Dubai, Monaco and in cities across the UK and Europe, including high-end residential projects, mixed-use developments, offices, retail malls, and an 850-bed acute care facility.

In Nigeria, he has established an architectural and project-management practice. His practice has produced designs and executed projects in London, and across West Africa, from a boutique hotel in Liberia through a retail mall in Ghana, right up to a hospital, and a medical clinic here in Nigeria. He has also managed the design and construction of several corporate headquarters and hotels.

Emmanuel Nnorom - Non-Executive Director

Emmanuel is currently the President/CEO of Transnational Corporation of Nigeria Plc. Prior to joining Transcorp, he served as the President/COO of Heirs Holdings Group and CEO of UBA Africa, overseeing United Bank for Africa's operations outside Nigeria and executing corporate strategy in 18 African countries. His other senior roles within UBA included Group COO UBA, followed by his appointment as UBA's Group CFO, with responsibility for Finance and Risk.

Emmanuel is qualified as a chartered accountant, and brings over 3 decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College, and a Prize winner and Fellow of the Institute of Chartered Accountants of Nigeria.

Executive Management

Henry Omoike - Head, Business Development

Henry Omoike is the Head of Business Development. He has over 20 years working experience of which 14 years is in the Banking and Financial Industry, having joined UBA Plc in 1997. Prior to joining UBA, Henry worked in the Construction and Real Estate Sector in Nigeria, and is a professional member of the Nigerian Institute of Quantity Surveyors and Quantity Surveyors Registration Board of Nigeria.

He holds a HND Quantity Surveying from Auchi Polytechnic (1998); an MBA in Financial Management from Lagos State University (1998) and an MSc Economics from Ambrose Alli University, Edo State (2004).

Prince Samuel Idika - Ag. Chief Financial Officer

Prince Samuel Idika is the Acting Chief Financial Officer at Afriland Properties Plc. He is a seasoned and chartered banker as well as a finance professional with many years of banking experience. Prior to joining Afriland Properties, he worked with several banks and investment companies where he held various positions in Finance, Investment, operations, inspection as well as marketing. He also worked briefly as the CFO in Emline Nig. (Group of Companies).

He holds a B.Sc in banking & Finance from Olabisi Onabanjo University; M.Sc in finance from University of Calabar. He is also a Fellow of both Chartered Institute of Bankers of Nigeria (FCIB) and Institute of Credit Collection & Management (FICM).

Lakin Odusami - Head, Facilities Management

Lakin holds an HND in Electrical Engineering 'Building & Structures' from City and guilds institute of London; Post Graduate in Facilities Management Herriot-Watt University, Edinburgh, Scotland, UK; MBA, with major in business management, from University Of Atlanta, Atlanta, USA.

Lakin is a trained Electrical Engineer with years' of experience in multidisciplinary industry. Lakin's experiences range from Mechanical Electrical and Plumbing engineering, specialist systems, Construction Project and Facilities Management with international working experience in the UK, South Africa, Asia and the Middle East.

Bassey Eka - Head, Projects Design

Bassey is a trained and professional Architect having obtained both B.Sc. (Hons) and M.Sc. (Arch) from the Ahmadu Bello University, Zaria. He is also professionally licensed by the Architects Registration Council of Nigeria to practice Architecture in Nigeria and this dates back to 1993.

He has over 20 years post-qualification practical and active industry experience. He joined the erstwhile UBA Properties in 2006, and in the process, has headed branch expansions in the Northern part of Nigeria, the whole of Nigeria and also expansion and set up of UBA subsidiariesin 15 of the 18 African countries where UBA is currently operational.

Executive Management

Aminu Sarafa - Head, Project Management Office

Aminu Sarafa (**MNSE, CSSGB, CCP, PMP**) is a registered and corporate member of the Nigerian Society of Engineers, and a certified member of the Project Management Institute (PMI), International Association for the Advancement of Cost Engineering (AACE), and American Society for Quality (ASQ). He graduated from Obafemi Awolowo University in 2002 in Civil Engineering. He is a professional with diversified experiences and skills in engineering, human resources, processes, and project management.

Prior to joining Afriland Properties Plc in 2013, Sarafaworked with UBA Properties Limited as Head, Project Management Office. In addition, he has worked as PM/Consultant on many projects for Total E&P Nigeria Limited, Association De Francaise Nigeria, French Consulate, and Proparco, Total Deepwater Nigeria Limited, Egina Field, CAP (Dulux) Plc. He is a professional with apt qualities, and has over 11 years' experience in Engineering, construction, and management.

Sunday Nwokeoji - Head, Technical Consultancy

Sunday holds an MSc in Environmental Resources Management from Lagos State University, Ojo Lagos and is a professional member of the Certified Institute of Cost Management; National Institute of Marketing, Nigeria; Nigeria Environmental Society; Nigeria Institute of Building and is a registered builder with the Council of Registered Builders of Nigeria. Sunday is also a qualified Quantity Surveyor.

He is also an Alumni of the Manchester Business School, Manchester, United Kingdom. He is articulate and by virtue of his over 21years of experience in the built environment, he has greatly impacted on every of the tasks and duties assigned to him both as an employee of UBA Properties Limited since 2006 before joining Afriland Properties PLC in the year 2013.

Obong Idiong - Company Secretary/Legal Adviser

Obong Idiong is the Company Secretary/Legal Adviser. A legal practitioner with over 13 years of experience in the Banking and Financial Industry and commercial practice, Obong is a member of the Nigerian Bar Association as well as the Society of Corporate Governance of Nigeria.

He holds an LL.M degree in International Finance and Business Law from the University of Liverpool, an MBA from the Lagos State University, an LL.B from the University of Calabar, and a Bachelor of Law degree from the Nigerian Law School, Lagos.

Chairman's Statement

My Dear Shareholders,

It is with great pleasure that I welcome you to the second Annual General Meeting (AGM) of our Company and present to you, the annual reports and financial statements for the year ended 31 December 2014.

On behalf of the Board of Directors, I sincerely thank you for your support to the Board and Management of your Company throughout the financial year under review.

In my address today, I will touch upon the performance of your Company during the last financial year, review the Nigerian and global business environment during the same period, talk about changes in the Board and attempt to analyze the future outlook for your Company.

Financial Performance and Dividend

Your Company achieved a profit before tax (PBT) of N1.74 billion for the financial year ended 31 December 2014, up from N424.75 million for the financial year ended 31 December 2013. This represents an increase of 311%. Your Company's profit after tax (PAT) equally increased from N281.94 million in 2013 to N1.51 billion in the year under review; an increase of 439%.

The massive improvement in performance compared with the preceding year is mainly attributable to re-valuation gains on investment properties and the increased level of activities in project development and money market investments.

In light of this performance, the Board of Directors is proposing the sum of N499.6 million as dividend payment for the year ended 31 December 2014. This translates to 40 kobo per ordinary share. We hereby request your consideration and approval of this dividend proposal.

We will continue to strike a good balance between our obligations of rewarding shareholders and the need to retain earnings to finance future reinvestments in your Company's operations.

The Local Economy

Nigeria's economy in 2014 went according to projections in the areas of Gross Domestic Product (GDP) growth and inflation. GDP growth rate was around the projected threshold of 6.5% while inflation was at 7.8% and 8% threshold throughout the year.

As we approached the end of 2014, the local economy experienced some external shocks that affected key macroeconomic indicators: the exchange rate inched up to N168 to a dollar from the N155 that it was at the beginning of the year, external reserves declined to $35billion dollars from $43.5billion at the beginning of the year and the Monetary Policy Rate (MPR) moved up to 13%. The sustained decline in oil prices has had a serious impact on the economy including official devaluation of the Naira and reversal of Nigeria's growth projections by several rating agencies.

Chairman's Statement *Contd.*

In spite of all the challenges facing the country, the sheer size of the economy (the largest in Africa) presents attractive opportunities for investors. Indeed, Foreign Direct Investment (FDI) into Nigeria in the first half of the year was estimated at $9.70 billion (N1.5trillion).

In the capital market, the All-Share Index (ASI) decreased to 34,657.15 basis points on December 31, 2014 from 41,329.19 basis points in December 31, 2013. Market capitalization for listed equities equally decreased to N11.5 trillion from N13.23 trillion during the same period. The decrease may have been fuelled by uncertainties over the possible outcome of elections in 2015.

Nigeria's real estate market is currently valued at approximately N6.5 Trillion and is estimated to grow at an average of 10% over the next few years. The major drivers of growth in the sector include an increased inflow of foreign investment; increased institutional investment from local companies including PFAs and Mutual Funds; the growing population of High Net-worth Individuals; and the targeted intervention of the Federal Government in the housing finance sector; examples of which include the setting up of the Mortgage Refinance Company (MRC) and ongoing restructuring in the Federal Housing Authority (FHA). Although some challenges still persist in the sector, significant progress has been made and your Company is closely following developments at all levels with a view to coming up with strategic initiatives to take advantage of events as they unfold.

The Global Environment

The global economy did not jump back to life as expected in 2014. It grew by an estimated 2.6 percent and is expected to expand by 3 percent in 2015. For developing countries, 2014 was another disappointing year. Their economies grew by 4.4 percent and is expected to improve slightly to 4.8 percent in 2015.

While economies like the US and UK witnessed some growth in 2014, Russia headed for recession. Russia's problems stem from a slump in the prices of oil, the crisis in Ukraine and Western sanctions on the government. Indeed, 2014 saw the continuation of the slow-down in the economies of most of the BRICS nations, notably China and Brazil.

The forecasts for 2015 seem negative for South American countries especially Argentina, Venezuela and Brazil. Russia and Western Europe remain weak while the three economies of Northern America appear quite strong. The major areas where growth is expected are the countries that are starting from a low base: South and East Asia as well as much of Africa.

Activities during the year

I am pleased to inform you that piling and foundation works have commenced for the redevelopment of the Falomo Shopping Mall. This is an iconic project that will grace the skyline of Ikoyi and further cement the Company's position as one of the leading real estate development Companies.

Outlook for 2015

Let me now share with you the outlook for the coming year.

The decline in the prices of oil provides the Nigerian government the opportunity to divert refined products to more productive aspects of the economy, reduce corruption in the oil and gas industry, make some savings from subsidy payments on premium motor spirit (PMS) and pay more attention to other sectors of the economy outside oil.

If the government takes advantage of the opportunity as described above, we expect the economy to grow by 5.54% driven by growth outside the oil sector. We also expect that the Federal Ministry of Finance will continue with its structural reforms, one of which has direct impact on the building and construction sector, that is, the creation of the Nigerian Mortgage Refinance Company.

Your Company is prepared to tap into the opportunities that will be created in the building and construction sector when the Nigerian Mortgage Refinance Company fully takes off. We are equally poised to take advantage of other structural reforms of the federal government, which might impact the housing sector.

As 2015 is election year in the country, it is understandable that you will have some concerns over how the outcome of the elections will affect your Company. Our projection is that the outcome of the general elections will not affect ongoing

Chairman's Statement *Contd.*

reforms in the building and construction sector in the short run. As such, your Company's projections for 2015 will not be affected by the general elections.

Board Changes

There was a minor change to the Board of Directors during the year. In October 2014, Emmanuel Nnorom joined the Board as a Non-Executive Director. His extensive boardroom experience is proving to be of great value to Board discussions.

Conclusion

The Board would like to appreciate Mrs. Uzoamaka Oshogwe, the rest of her management team and all our hardworking and enterprising employees, for their dedication to duty and untiring efforts.

My gratitude also goes to my colleagues on the Board for their commitment to the cause of your Company and for working closely with the management team to ensure that your Company delivers on its promises and targets.

In conclusion, I wish to thank you once again, distinguished shareholders, on behalf of the Board of Directors, for your support to the Board and Management of your Company over time. We look to the future with renewed confidence knowing that we have your backing and cooperation.

Erelu Angela Adebayo
Chairman, Board of Directors

CEO'S Report

Dear Afriland Investors,

I am delighted to welcome you to the second Annual General Meeting of our Company, Afriland Properties Plc. This forum is to assess our performances and achievement during the year in review and inform you of our prospects for the 2015 Financial Year.

I wish to commence by showing great appreciation to the Company's esteemed Shareholders for their usual support; a resourceful and dynamic board as well as our determined and customer-centric staff who continue to serve our clients diligently. The combined efforts of the shareholders, board and staff have resulted in the performance we are celebrating today.

I would also like to use this opportunity to congratulate all of us on the final approval of the Afriland Properties Plc (APP) and Heirs Real Estate(HRE) merger.

Afriland Properties Plc has continued to work towards achieving its business goals and objectives, which majorly include:

- Real Estate Development
- Project construction, supervision and management
- Facilities Management of clients' and proprietary properties
- Renovation/Upgrades
- Breaking into new grounds in the real estate development space.

While striving to achieve our objectives and gain a prominent market share in the industry, we remain committed to delivering value to our clients and returns to our esteemed Shareholders.

Afriland's philosophy and long-term focus is echoed by our emphasis on various building blocks, which is the primary driver for the growth of our great Company.

These are categorized as follows:

1. **Our People**
   Our strategy to empower our people to achieve their personal ambitions as well as have a right sense of wellbeing in the workplace is anchored on developing the skills and abilities of our Team. The objective is to surpass our clients' expectations by always delivering exemplary services.

2. **Strong Governance Framework**
   We are committed to safeguarding the interest of our stakeholders and recognize the importance of good corporate governance.

We have established a strong governance framework to drive, measure and manage collaboration between the Board, Management and among our various divisions/ units. This is to ensure that the interests of our clients' and shareholders' are adequately protected.

3. **Social Responsibility**
   Our Corporate Social activities enable us to take greater responsibilities not just for our staff and our clients but also for the larger environment that we work in. We cannot ignore this as a responsible corporate entity.

   Our philosophy is based on our catch phrase: Execution perfected. Excellence delivered; which is to always drive us to long-term financial performances. For this reason we are here today to look at our performance for the Year-ended December 31, 2014:

Where we are:

Performance
Our annual report and accounts has been prepared in conformity with International Financial Reporting Standards and this presents the operating results of the Company for the year ended December 31, 2014. In line with our foundation of sound corporate governance and our adherence to regulatory standards, IFRS has provided a uniform and consistent basis of preparing our financial information for comparison and greater transparency.

On this background, Afriland achieved commendable financial and operating results in the Year-ended December 31, 2014 as evidenced by various key performance indicators shown below.

Financial Performance (Revenue, Profit)
As promised at the 1st AGM, your Company achieved revenue of N2.75 billion for the financial year ended December 31, 2014 as against N909.6 million in 2013. The revenue stream of the Company includes fees and commission; contract income; rental income and others. We also earned revenue from the optimization of non-core assets and idle bare-lands.

The Company achieved a profit before tax (PBT) ofN1.74 billion for the financial year ended December 31, 2014. This represents an increase of 311%from the achievement of N424.75 million for the year ended December 31, 2013. Profit after tax (PAT) attributable to the Company was N1.51 billion , which is 439% above the position of N281.94 million for the year ended 31 December, 2013.

Financial Position (Assets)
The Company's total assets stood at N8.20 billion as at 31 December, 2014 showing an appreciable increase of94% from N4.234 billion as at 31 December, 2013. Also, the Shareholders' funds rose from N2.827 billion toN5.405billion representing an increase of 91%. This increase in total assets and shareholders' funds are attributable to the values of our Investment properties and profits realized from operations of the Company during the year.

Key Business Achievements and Over-view
During the year under review we commenced work on the FalomoMall Redevelopment Project and piling work is progressing according to plan; Completed brand new construction and renovation projects of Business offices, Nationwide; Completed a Health Clinic in Ughelli; Completed and rented out Residential Buildings etc.

Outlook for 2015
We are aware of the dynamism of our world, marked by continuous change, activity and progress. Therefore, it is vital for us to constantly identify market trends, update ourselves and come up with new strategies to remain viable in the Real Estate Business.

Consequently, while seeking new opportunities during the current year, we look also to build on the successes of 2014 as we track to continue to deliver on all our set objectives. Our key target is to further grow our revenues with the impact on increased profitability during the year 2015. We intend to achieve this by focusing on maximization and monetization of our real estate portfolio through new development projects, optimized rentals as well as continued provision of excellent

CEO'S Report *Contd.*

facilities and project management services. The Company will also be leveraging new competencies, capabilities and experiences with well-defined and standardized processes as well as continuous improvements.

Furthermore, we shall establish our brand, build a stronger identity and position Afriland as a dominant real estate player through the landmark flagship development of the Falomo Shopping Mall in 2015.

Closing

Our esteemed and distinguished shareholders, I would like to thank you, the Board of Directors, the management and staff of the Company for your tremendous commitment, loyalty and support. We continually reiterate our resolve to achieve the Company's set goals and objectives, whilst focusing on our mission to be Africa's most sought-after real estate company.

Thank you and God bless.

Uzoamaka Oshogwe
Managing Director/Chief Executive Officer

Corporate Governance Report

Afriland Properties Plc ("Afriland" or the "Company") is committed to upholding the highest standards of Corporate Governance through the adoption of a robust Corporate Governance framework, which ensures the promotion of effective governance through the strategic direction and oversight by the Board.

During the year ended December 31, 2014, Afriland complied with the provisions of the Code of Corporate Governance issues by the Securities & Exchange Commission (SEC) and all extant laws and regulations bordering on governance.

The Board is of the opinion that Company has in all material respects, complied with the requirements of the SEC Code and its own governance charters during the 2014 financial year

1. OVERVIEW

The Board of Directors of the Company has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered to by the Company. In order to promote effective governance of the Company, the following structures have been maintained for the execution of the Company's Corporate Governance strategy:

1. Board of Directors
2. Board Committees
3. Executive Management Committee

The Company has also implemented corporate governance policies and standards to encourage good and transparent corporate governance practices as it is the Company's belief that such governance practices have a direct correlation with the Company's performance and its commitment to all stakeholders.

The Company's approved corporate governance policies remained operational throughout the 2014 financial year as follows:

- **Board Governance and Board Governance Committees Charter:**
  This Charter provides the governance framework for the Board and Board Committees of the Company to promote effective governance. It catalogues the mandate and terms of reference, procedures and structures of the Board and Board Committees of the Company. The Board of Directors carries out its responsibilities through its standing committees. These are the Risk and Governance Committee, the Finance and General Purpose Committee and the Statutory Audit Committee.

- **Executive Management Charter:**
  The Executive Management Charter provides the framework for directing the affairs of the Executive Management Committee (EMC) of the Company in the running of the Company's day-to-day operations. The Charter sets the membership, terms of reference and role of the EMC members.

- **Code of Conduct:**
  The Code of Conduct sets out the expected standards of behavior and ethical responsibilities of directors, employees, vendors and other third parties who have any form of dealings with the Company.

2. BOARD OF DIRECTORS

2.1 Introduction

The principal role of the Company's Board of Directors is to provide overall guidance and policy direction to the Management of the Company with key roles focused on strategic direction, policy formulation, decision making and oversight.

The corporate governance principles of the Company rest on the Board of Directors to ensure due compliance and alignment with acceptable corporate governance standards.

Corporate Governance Report *Contd.*

2.2 **Board Structure**

The Board of Directors consists of six members made up of one Executive Director and 5 Non-Executive Directors. In accordance with the provisions of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 (CAMA) and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over Board proceedings.

2.3 **Chairman and Chief Executive Officer Positions**

The role of the Chairman and Chief Executive Officer are separated and clearly defined in compliance with corporate governance rules on the roles and responsibilities of the Board members. The Chairman is primarily responsible for the workings of the Board while the Chief Executive Officer is responsible for the implementation of the Board strategy and Policy. The Chief Executive Officer is assisted by the Executive Management Committee in managing the day-to-day operations of the Company. The Chairman is not involved in the day-to day operations of the Company and is not a member of any Committee of the Board.

2.4 **Non-Executive Directors**

The non-Executive Board members possess strong knowledge of the Company's business and usually contribute actively to Board's meetings.

In choosing Directors and in accordance with the Company's Board Charter, the Company seeks individuals who have very high integrity, a good image and reputation, are business savvy, have shareholder orientation and a genuine interest in and commitment to the Company. The Company's Directors also have a wealth of industry expertise across the core areas of Real Estate Management, Finance, Investment, Project Development and Project Management.

2.5 **Proceedings and frequency of meetings**

The Board meets at least once every quarter or as frequently as the Board's attention may be required on any situation which may arise. Sufficient notices with clear agenda/report are usually given prior to convening such meetings. All Directors have access to the Company Secretary who is appointed and removed by the Board and is also responsible to the Board. The details of Directors' attendance of Board meetings are disclosed on page 17 of the Annual Reports.

2.6 **Delegation of Authority**

The Board establishes formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the day-to-day operations of the Company. The delegation of authority conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to Management. Any responsibility not delegated remains with the Board and its committees.

2.7 **Reporting and Control**

The Board is responsible for and ensures proper financial reporting as well as establishment of strong internal control procedures.

2.8 **Membership of the Board**

During the year under review, Mr. Emmanuel Nnorom was appointed to the Board as a Non-Executive Director on 30th October, 2014.

Consequent upon the foregoing, the Board of Directors of the Company comprised the following as at the end of the year:

Erelu Angela Adebayo	-	Chairman
Mrs. UzoamakaOsogwe	-	Managing Director/CEO
Mr. Samuel Nwanze	-	Non Executive Director
Ms. OlayinkaOgunsulire	-	Non Executive Director
Mr. Ike Ogbue	-	Non Executive Director
Mr. Emmanuel Nnorom	-	Non Executive Director

2.9 **Board Meeting Attendance**

The table below shows the frequency of meetings of the Board and members attendance:

Directors	No. of Meetings Obliged to Attend	Date of Held attended	No of meetings not attended	Date of meetings
EreluAngela Adebayo	4	7th April, 2014 9th June, 2014 30th July, 2014 30th October, 2014	4	N/A
Mrs. Uzoamaka Oshogwe	4	7th April, 2014 9th June, 2014 30th July, 2014 30th October, 2014	4	N/A
Mr. Samuel Nwanze	4	7th April, 2014 9th June, 2014 30th July, 2014 30th October, 2014	4	N/A
Ms. OlayinkaOgunsulire	4	7th April, 2014 9th June, 2014 30th July, 2014 30th October, 2014	4	N/A
Mr. Ike Ogbue	4	7th April, 2014 9th June, 2014 30th July, 2014 30th October, 2014	4	N/A
Mr. Emmanuel Nnorom*	1	30th October, 2014	1	N/A

N/A means "Not Applicable"

*Mr. Emmanuel Nnorom was appointed to the Board and its Committees on 30th October, 2014

2.10 **Board Committees**

The Board Committees of the Company comprise a majority of Non-Executive Directors tasked with the performance of various functions as delegated by the Board in the discharge of their responsibilities to the shareholders.

2.10.1 The Board Committees are as follows:

Risk & Governance Committee

The Risk and Governance Committee (RGC) is tasked with the following terms of reference:

- Establish procedures for the nomination of Directors.
- Advise and recommend to the Board the composition of the Board.
- Approve recruitments, promotions, redeployments and disengagements for the Company heads of departments that make up the Executive Management Committee.
- Review and evaluate the skills of members of the Board.
- Recommend to the Board compensation for all staff of the Company and subsidiary Boards.
- Advise the Board on corporate governance standards and policies.
- Review and approve all human resources and governance policies for the Company.
- Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.

Corporate Governance Report *Contd.*

- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- Monitor compliance of all legal and regulatory requirements.
- Review Audit exception reports, fraud loses and make recommendations for control measures.
- Ensure that risk assessments are performed on a continual basis.
- Monitor and assess the integrity of the overall risk management framework of the Company

2.10.2 Membership of the Committee comprises of three non-executive directors as follows:

Ms. OlayinkaOgunsulire	-	Chairman
Mr. Samuel Nwanze	-	Member
Mr. Ike Ogbue	-	Member
Mr. Emmanuel Nnorom	-	Member

The table below shows the frequency of meetings of the RGC and members attendance:

Directors	No. of Meetings Obliged to Attend	Date of Held	Number of meetings attended	Date of meetings not attended
Ms. Olayinka Ogunsulire	4	4th April, 2014 9th June, 2014 25th July, 2014 24th October, 2014	4	N/A
Mr. Samuel Nwanze	4	4th April, 2014 9th June, 2014 25th July, 2014 24th October, 2014	4	N/A
Mr. Ike Ogbue	4	4th April, 2014 9th June, 2014 25th July, 2014 24th October, 2014	4	N/A
Mr. Emmanuel Nnorom*	0	N/A	0	N/A

N/A means "Not Applicable"

- Mr. Emmanuel Nnorom was appointed to the Board and its Committees on 30th October, 2014

2.10.3 **Finance & General Purpose Committee**

The Finance & General Purpose Committee (F&GPC) is tasked with the following terms of reference:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting.
- Provide oversight on financial matters and the performance of the Company.
- Review and recommend investment opportunities or initiatives to the Board for decision.
- Recommend financial and investment decisions within its approved limits.
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Company.
- Formulate and shape the strategy of the Company
- Review the Company's investment portfolio
- Recommend Company policies relating to risk, finance and investment

Corporate Governance Report *Contd.*

2.10.4 Membership of the Committee comprises of three non-executive directors as follows:

Mr. Samuel Nwanze	-	Chairman
Mrs. Uzoamaka Oshogwe	-	Member
Ms. OlayinkaOgunsulire	-	Member
Mr. Ike Ogbue	-	Member
Mr. Emmanuel Nnorom	-	Member

The table below shows the frequency of meetings of the F&GPC and members attendance:

Directors	No. of Meetings Obliged to Attend	Date of Held	Number of meetings attended	Date of meetings not attended
Mr. Samuel Nwanze	4	4th April, 2014 9th June, 2014 25th July, 2014 24th October, 2014	4	N/A
Mrs. Uzoamaka Oshogwe	4	4th April, 2014 9th June, 2014 25th July, 2014 24th October, 2014	4	N/A
Ms. OlayinkaOgunsulire	4	4th April, 2014 9th June, 2014 25th July, 2014 24th October, 2014	4	N/A
Mr. Ike Ogbue	4	4th April, 2014 9th June, 2014 25th July, 2014 24th October, 2014	4	N/A
Mr. Emmanuel Nnorom*	0	N/A	0	N/A

N/A means "Not Applicable"

*Mr. Emmanuel Nnorom was appointed to the Board and its Committees on 30th October, 2014

2.10.5 **Statutory Audit Committee**

The Statutory Audit Committee (SAC) was set up in accordance with the provisions of the Companies and Allied Matters Act, CAP 20, 2004. It comprises of a mixture of Non-Executive Directors and ordinary shareholders elected at the first Annual General Meeting of the Company on 13th June, 2014. Its terms of reference include the monitoring processes designed to ensure compliance by the Company in all respects with legal and regulatory requirements, including disclosure, controls and procedures. It evaluates annually, the independence and performance of the External Auditors. The Committee also reviews with Management and the External Auditors, the annual audited financial statement before submission to the Board.

2.10.6 Membership of the Committee in 2014 comprises of following:

Mr. Ayodeji Adigun	-	Chairman
Alhaji Wahab A. Ajani	-	Member
Mrs. Shopeju E. Adetutu	-	Member
Mr. Samuel Nwanze	-	Member
Ms. Olayinka Ogunsulire	-	Member
Mr. Ike Ogbue	-	Member

Corporate Governance Report *Contd.*

The table below shows the frequency of meetings of the RGC and members attendance:

Directors	No. of Meetings Obliged to Attend	Date of Held	Number of meetings attended	Date of meetings not attended
Mr. Ayodeji Adigun	2	25th July, 2014 24th October, 2014	2	N/A
Alhaji Wahab A. Ajani	2	25th July, 2014 24th October, 2014	2	N/A
Mrs. Shopeju E. Adetutu	2	25th July, 2014 24th October, 2014	2	N/A
Mr. Samuel Nwanze	2	25th July, 2014 24th October, 2014	2	N/A
Ms. Olayinka Ogunsulire	2	25th July, 2014 24th October, 2014	2	N/A
Mr. Ike Ogbue	2	25th July, 2014 24th October, 2014	2	N/A

3. THE EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee (EMC) comprises of senior management of the Company. The EMC is tasked with the following terms of reference:

- Articulating the strategy of the Company and recommending same to the Board.
- Discussing strategic matters and their impact on the Company's property and investment portfolio.
- Outlining the manner and techniques in which the Company's objectives shall be accomplished.
- Executing the Company's strategy.
- Identify, analyze and make recommendations on risks arising from the day-to-day operations of the Company and its investments.
- Preparing annual financial plans to be approved by the Board and ensuring that all the Companies objectives are achieved.

4. SHAREHOLDERS RIGHTS

The Board of the Company has always placed considerable importance on effective communication with shareholders. It ensures that the rights of shareholders are protected at all times. Notice of meetings and al statutory notices and information are communicated to the shareholders regularly.

The Company's General Meetings provide shareholders the platform to contribute to the administration of the Company. The Annual General Meetings (AGMs) are held in accessible locations and are open to shareholders or their proxies. The AGMs are conducted in a manner that facilitates shareholders participation in accordance with relevant regulatory and statutory requirements. The Company encourages shareholders to attend these meetings whilst ensuring that notices of meetings and other information required by shareholders to make informed decisions are dispatched in a timely manner. The office of the Company Secretary additionally affords shareholders channels of communication to the Board and the Management of the Company.

Report of the Directors *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors have pleasure in presenting to the members of Afriland Properties Plc ("the Company") their report together with the audited financial statements for the year ended 31 December 2014.

Legal form

Afriland Properties Plc was incorporated as a private limited liability Company on 14 March 2007 and is headquartered in Lagos, Nigeria with other satellite locations in Abuja, Port-Harcourt, Benin and Ibadan. The Company began operations on 1 February 2011.

Principal activity

The principal activity of the Company is real estate investment and development as well as offering of a broad range of real estate products/services to the general public.

State of affairs

In the opinion of the Directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

Change in reporting framework

There have been no changes to the accounting policies adopted by the Company.

Results for the year

	2014 ₦'000	2013 ₦'000
Operating income	1,090,436	595,445
Profit before taxation	1,744,958	424,747
Taxation	(235,729)	(142,808)
Profit after taxation	1,509,229	281,939

Dividend

The Directors have recommended the payment of a dividend of 40 kobo per share amounting to N499.6 million (2013: 10 kobo per share amounting to N100 million) on the issued share capital of 1,249,000,000 shares of 50 kobo each for the year ended 31 December 2014. Withholding tax at the applicable rate will be deducted at the time of payment.

Property, plant and equipment

Information relating to changes in property, plant and equipment (PPE) is shown in Note 12 to the financial statements. In the opinion of the Directors, the market value of the Company's PPE is not less than the carrying value shown in the financial statements.

Acquisition of own shares

The Company has not purchased any of its own shares during the year under review (2013: Nil).

Directors' interest in shares

The Directors who served during the year were as follows:

Director	Position
Erelu Angela Adebayo	Chairman
Uzo Oshogwe	Managing Director/CEO
Olayinka Ogunsulire	Non-Executive Director
Ike Ogbue	Non-Executive Director

Report of the Directors *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

Samuel Nwanze	Non-Executive Director
Emmanuel Nnorom	Non-Executive Director (Appointed 30 October 2014)

Pursuant to Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the direct and indirect interest of the Directors in the shares of the Company as notified by them and recorded in the Register is as follows:

	Ordinary shares of 50 kobo each			
	31 December 2014		31 December 2013	
	Direct Holding	Indirect Holding	Direct Holding	Indirect Holding
Erelu Angela Adebayo	4,963	-	4,963	-
Uzo Oshogwe	760,117	-	6,710	-
Olayinka Ogunsulire	226	-	226	-
Ike Ogbue	-	-	-	-
Samuel Nwanze	17,023	-	7,575	-
Emmanuel Nnorom	317,647	-	317,647	-

Directors' interest in contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any discloseable interest in contracts with which the Company is involved as at 31 December 2014 (2013: Nil).

Analysis of shareholding

According to the Register of Members, the following shareholders held more than 5% of the ordinary shares of the Company issued as at reporting date.

	2014		2013	
	Numbers of Shares	%	Numbers of Shares	%
ED & M Investment Limited	93,621,197	7.50	93,621,197	9.36
UBA Staff Investment Trust Scheme	-	-	75,141,638	7.51
Oceanic Date Limited	71,471,056	5.72	71,471,056	7.15
Consolidated Trust Funds Limited	63,281,341	5.07	-	-

Shareholding range analysis

The shareholding range analysis as at 31 December 2014 is shown below:

Range	No. of Holders	Holders %	Holders Cum.	Unit	units %	Units Cum
1 - 10,000	277,145	98.62	277,145	129,979,740	10.41	129,979,740
10,001 - 50,000	3,101	1.10	280,246	65,012,860	5.21	194,992,600
50,001 - 100,000	387	0.14	280,633	27,772,287	2.22	222,764,887
100,001 - 500,000	277	0.10	280,910	54,576,619	4.37	277,341,506
500,001 - 5,000,000	84	0.03	280,994	123,252,591	9.87	400,594,097
5,000,001 - 50,000,000	23	0.01	281,017	275,181,638	22.03	675,775,735
50,000,001 - 200,000,000	9	0.00	281,026	573,224,265	45.89	1,249,000,000
		281,026	100	1,249,000,000	100	

Charitable contributions and donations

The Company made contribution to charities of N85,711,385 during the year ended 31 December 2014 (2013: N8,580,756). N50,100,000 donation was made to support the internally displaced persons in the Country and N35,611,385 was for various Community Service Responsibility (CSR) engagements.

Report of the Directors *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

Employment and Employees

Employment of disabled persons
No disabled person was employed by the Company during the year. However, it is the Company's policy to consider disabled persons for employment, bearing in mind the respective aptitudes and abilities of the applicants concerned.

Health, Safety and Welfare of employees at Work
The Company places high premium on the health, safety and welfare of its employees in their places of work. To this end, the Company has various forms of insurance policies including group life insurance to adequately secure and protect its employees. The Company also has in place a healthcare insurance scheme for employees' and their immediate family members' medical needs.

Employees' Interest and Training
The Company places considerable value on the development of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and other forms of communication. The Company organizes in-house and external training for its employees based on the requirements of their job. Overseas courses are also arranged where and when necessary.

Events after the reporting date
As stated in Note 31, there are no other events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

Format of financial statements
The financial statements of Afriland Properties Plc have been prepared in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and are in compliance with International Financial Reporting Standards (IFRS), reporting format issued by the International Accounting Standards Board (IASB) and approved by the Financial Reporting Council of Nigeria Act No 6, 2011. The Directors consider that the format adopted is the most suitable for the Company.

Auditors
Ernst & Young have expressed 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 Laws of the Federation of Nigeria 2004.

BY ORDER OF THE BOARD

OBONG IDIONG
COMPANY SECRETARY
FRC/2014/NBA/00000004696

9 March 2015

Statement of Directors' Responsibilities

FOR THE YEAR ENDED 31 DECEMBER 2014

The Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;
b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standard Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December 2014. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

------------------------------------	------------------------------------
Erelu Angela Adebayo	**Uzoamaka Oshogwe**
Chairman	Managing Director/ CEO
FRC/2014/IODN/00000007796	FRC/2014/IODN/00000004689
9 March 2015	9 March 2015

Independent Auditors' Report

TO MEMBERS OF AFRILAND PROPERTIES

In accordance with the provisions of section 359(6) of the Companies and Allied Matters Act, CAP 20, Laws of the Federation of Nigeria 2004 (CAMA), we the members of the Audit Committee hereby report as follows:

- The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359(6) of CAMA;
- We have examined the auditor's report including the financial statements for the year ended 31st December, 2014;
- We have deliberated with the external auditors, reviewed their findings and recommendations and confirm that the auditors report for this period is consistent with our review; and
- We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.

AYODEJI ADIGUN
CHAIRMAN, AUDIT COMMITTEE

March 9, 2015

Members of the Audit Committee

1.	Mr. Ayodeji Adigun	-	Chairman
2.	Alhaji Wahab A. Ajani	-	Member
3.	Mrs. Shopeju E. Adetutu	-	Member
4.	Mr. Samuel Nwanze	-	Member
5.	Ms. Olayinka Ogunsulire	-	Member
6.	Mr. Ike Ogbue	-	Member

Independent Auditors' Report to the Members of Afriland Properties Plc

Report on the financial statements
We have audited the accompanying financial statements of Afriland Properties Plc, which comprise the statement of financial position as at 31 December 2014, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements
The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the Directors determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of Afriland Properties Plc as at 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

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

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii. in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;

iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Yusuf Aliu, FCA/FRC/2013/ICAN/00000000138

For: Ernst & Young
Chartered Accountants
Lagos, Nigeria

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 ₦'000	2013 ₦'000
Contract income	5	45,592	124,859
Fees and commission	6	359,988	215,040
Rental income	6.1	357,088	255,546
Project development income		327,768	-
Operating income		**1,090,436**	**595,445**
Other operating income	7	2,093	27
Administrative expenses	8	(1,007,168)	(484,886)
Profit on disposal of investment properties		305,422	168,868
Valuation gains from investment properties	14	1,222,368	84,151
Net gains on investment properties		1,527,790	253,019
Operating profit		**1,613,151**	**363,605**
Finance income	9	131,807	61,142
Profit before taxation		**1,744,958**	**424,747**
Income tax expense	10	(235,729)	(142,808)
Profit for the year		**1,509,229**	**281,939**
Other comprehensive income:			
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**1,509,229**	**281,939**
Earnings per share:			
Basic/ diluted earnings per share (Naira)	11	N1.27	N0.28

See notes to the financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2014

	Notes	2014 ₦'000	2013 ₦'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	275,680	21,486
Intangible assets	13	853,779	-
Investment properties	14	3,467,980	2,554,729
Available-for-sale investments	15	1,500,000	-
Prepayment	16	10,400	15,600
		6,107,839	**2,591,815**
Current assets			
Trade and other receivables	17	160,187	331,799
Advance to contractors	18	1,760,980	34,650
Prepayments	19	8,614	6,497
Cash equivalents	20	157,615	1,269,407
		2,087,396	**1,642,353**
Total assets		**8,195,235**	**4,234,168**
Equity and liabilities			
Equity			
Issued share capital	21	624,500	500,000
Share premium	21	3,039,618	1,996,000
Retained earnings		1,740,554	331,325
Total equity		**5,404,672**	**2,827,325**
Non-current liabilities			
Deferred tax	24b	164,523	63,853
Interest-bearing loans and borrowings	25	1,381,110	-
		1,545,633	**63,853**
Current liabilities			
Trade and other payables	22	800,892	991,234
Deferred income	23	274,672	272,801
Income tax payable	24a	169,366	78,955
		1,244,930	**1,342,990**
Total liabilities		**2,790,563**	**1,406,843**
Total equity and liabilities		**8,195,235**	**4,234,168**

Signed on behalf of the Board of Directors on 9 March 2015 by:

Erelu Angela Adebayo
Chairman
FRC/2014/IODN/00000007796

Uzoamaka Oshogwe
Managing Director/ CEO
FRC/2014/IODN/00000004689

Prince Sam Idika
Ag. Chief Financial Officer
FRC/2015/CIBN/00000011200

See notes to the financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2014

	Issued capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
As at 1 January 2014	**500,000**	**1,996,000**	**331,325**	**2,827,325**
Total comprehensive income for the year	-	-	1,509,229	1,509,229
Cash dividend (Note 21c)	-	-	(100,000)	(100,000)
Issue of share capital (Note 21)	124,500	1,043,618	-	1,168,118
At 31 December 2014	**624,500**	**3,039,618**	**1,740,554**	**5,404,672**
As at 1 January 2013	**500,000**	**-**	**49,386**	**549,386**
Total comprehensive income for the year	-	-	281,939	281,939
Issue of share capital (Note 21)	-	1,996,000	-	1,996,000
At 31 December 2013	**500,000**	**1,996,000**	**331,325**	**2,827,325**

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 N'000	2013 N'000
Operating activities			
Cash receipts from customers		1,301,093	636,154
Payment to suppliers/ employees		(2,395,962)	86,061
VAT paid		-	-
Income tax paid	24a	(44,649)	-
Net cash flows from operating activities	27	**(1,139,518)**	**722,215**
Investing activities			
Purchase of property, plant and equipment	12	(264,511)	(25,480)
Purchase of intangible assets	13	(12,456)	-
Purchase of investment properties	14	(40,674)	(10,772)
Purchase of available-for-sale investment	15	(1,500,000)	-
Proceeds from disposal of investing properties (net)		432,450	205,062
Interest received	9	131,807	61,142
Net cash flows from investing activities		**(1,253,384)**	**229,952**
Financing activities			
Dividend paid	21c	(100,000)	-
Proceed from long-term loan	25	1,381,110	-
Net cash flows from financing activities		**1,281,110**	**-**
Net (decrease) /increase in cash and cash equivalents		(1,111,792)	952,167
Cash and cash equivalents at 1 January		1,269,407	317,240
Cash and cash equivalents at 31 December	20	**157,615**	**1,269,407**

See notes to the financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2014

1. Corporate information

Afriland Properties Plc was incorporated as a private Limited Liability Company on 14 March 2007 and became a public company in 2011.

Afriland Properties Plc (APP) is a company domiciled in Nigeria. The address of the Company's registered office is 223 Etim Inyang Crescent, Victoria Island, Lagos. The Company is a property management, investment and development company offering end-to-end services along the real estate value chain, from management to joint venture investments.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the Financial Reporting Council of Nigeria and in accordance with Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The financial statements were authorised for issue by the directors on 9 March 2015.

b. Income and cash flow statement

Afriland Properties Plc has elected to present a single statement of comprehensive income and presents its expenses by nature.

The Company reports cash flows from operating activities using the direct method. Interest received is presented within investing cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Company's business activities.

c. Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousands (N'000).

d. Basis of measurement

These financial statements are prepared on the historical cost basis except for the following:

- Investment properties which are measured at fair value.
- The investment in quoted equity instruments are classified as available for sale and therefore also measured at fair value.

e. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed below:

FOR THE YEAR ENDED 31 DECEMBER 2014

Taxes
Uncertainties exist with respect to the amount and timing of future taxable income. Given the differences in the interpretation of the underlying principles of taxable income, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The Company establishes provisions based on reasonable estimates.

Deferred taxes are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgements is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further details of taxes are disclosed in Note 10.

Property, plant and equipment
Judgments are utilised in determining the depreciation rates and useful lives of these assets at the end of the period. Further details of property, plant and equipment are disclosed in Note 12.

Investment properties
The Company makes use of internal and external valuation experts. All properties are valued by external valuers at least every five years. The following valuation assumptions are used:

External
- The property is not adversely affected by or subject to compulsory acquisition, road widening, new proposal or planning scheme;
- The interests held by the Company as evidenced by title deeds are good and marketable;
- The properties are free from all onerous charges and restrictions; and
- The properties are free from structural, infestation or concealed defective conditions.

Internal
Using an open market valuation method, the following factors were considered:
- A willing buyer;
- A reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
- No account is to be taken of an additional bid by a special purchaser; and
- The properties shall be freely exposed to the market

Further details of fair value of investment properties are disclosed in Note 14.

3 Significant accounting policies
The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

The accounting policies have been applied consistently by the Company.

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

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

FOR THE YEAR ENDED 31 DECEMBER 2014

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

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

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

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

b. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Company has determined that its chief operating decision-maker is the Chief Executive Officer (CEO) of the Company.

c. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

The Company makes use of internal and external valuation experts. All properties are valued by external valuers at least every five years. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.

c. Investment properties Continued

- Past experience with similar constructions.
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

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

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

Changes in fair values are recognised in the profit or loss. Investment properties are derecognised when they have been disposed. Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the profit or loss within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

d. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Freehold land - Nil
- Freehold building - 10 years
- Plant and machinery - 5 to 7 years
- Motor vehicles - 4 to 6 years
- Furniture, fittings and equipment - 3 to 5 years
- Computer equipment - 3 to 5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date. Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss for the period.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised. The estimated useful lives for the current year are as follows;

Computer software - 3 years

g. Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

h. Trade receivables and prepayments

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Pre-payments are carried at cost less any amortization during the year.

i. Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

j. Share capital and reserves

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividend on ordinary shares

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

k. Employee benefits

i. Post-employment benefits

Defined contribution plans

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

For defined contribution plans, the Company pays contributions to Pension Fund Administrators on a statutory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The Company operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employer and the employee contributions are 10% and 8% respectively of the qualifying employee's salary.

ii. Short-term benefits

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

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

l. Deferred income

Deferred income comprises of contract income, service charge received in advance and rents in advance; these are recognised in the profit or loss when earned.

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

m. Revenue recognition

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

Profit on sale of investment properties is recognised in the income statement when title has passed and the significant risks and rewards of ownership have been transferred.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest is recognised using the effective interest method as set out in IAS 39.

Construction contracts

The Company principally operates fixed price contracts. If the outcome of such a contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity at year end (percentage of completion method).

The stage of completion of a contract may be determined in a variety of ways. The Company uses the method that measures reliably the work performed. Depending on the nature of the contract, the methods may include:

(a) the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs;
(b) surveys of work performed; or
(c) completion of a physical proportion of the contract work.

Progress payments and advances received from customers often do not reflect the work performed. When payments are received in excess of work done, the payments are recognized as deferred income in the statement of financial position.

The outcome of a construction contract can be estimated reliably when: (i) the total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) both the contract costs to complete the contract and the stage of contract completion at the end of the reporting period can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably (especially during the early stages of a contract): (i) revenue shall be recognised only to the extent of contract costs incurred that it is probable will be recoverable; and (ii) contract costs shall be recognised as an expense in the period in which they are incurred. An expected loss on the construction contract shall be recognised as an expense immediately.

Contract revenue

Contract revenue comprise the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments (to the extent that it is probable that they will result in revenue and they are capable of being reliably measured).

Contract revenue is measured at the fair value of the consideration received or receivable.

Contract cost

Contract costs comprise costs that relate directly to the specific contract, that are attributable to contract activity in general and can be allocated to the contract. The costs that relate directly to a specific contract include site labour costs, including site supervision, costs of materials used in construction, depreciation of plant and equipment used on the contract, costs of design and technical assistance that is directly related to the contract etc.

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

It further includes such other costs as are specifically chargeable to the customer under the terms of the contract. These costs may be reduced by any incidental income that is not included in contract revenue, for example income from the sale of surplus materials.

o. Revenue recognition - Continued

The Company's contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contract together in order to reflect the substance of a contract or a group of contracts.

Sale of property

Income from the sale of investment properties is recognised by the entity when the risks and rewards of ownership have been transferred to the customer, all managerial responsibilities and control are completely devolved to the customer and where the costs and income on sale can be measured reliably. Risks and rewards are transferred when the legal title or possession is passed to the customer. The granting of the legal title is an administrative matter that can have significant delays.

Rental income

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

Service fee

Revenue from services rendered (such as project management, project directorate) is recognised as revenue in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

When the Company is acting as an agent, the commission rather than gross income is recorded as revenue.

Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

p. Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income 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.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

FOR THE YEAR ENDED 31 DECEMBER 2014

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

q. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, a distribution is authorised when it is approved by the shareholders at the Annual General Meetings (AGM). A corresponding amount is recognised directly in equity.

r. Borrowing costs

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

s. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

- ☐ Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

FOR THE YEAR ENDED 31 DECEMBER 2014

- ☐ Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

t. Financial instruments initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are initially measured at fair value plus transaction costs.

i). Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables, or Available-For-Sale (AFS) financial assets, as appropriate. All financial assets are recognised initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories:

- ➢ Loans and receivables
- ➢ Available-for-sale (AFS) financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at the amount expected to be received, less, when material, a discount to reduce the receivables to fair value.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The losses arising from impairment are recognised in profit or loss in finance costs for loans and in other operating expenses for receivables.

Available-for-sale (AFS) financial assets

AFS financial assets of the Company include only equity investments. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is de-recognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

De-recognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is de-recognised (i.e. removed from the Company's statement of financial position) when:

a) the rights to receive cash flows from the asset have expired
or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis.

All impairment losses for items measured at amortised cost are recognised in the profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Financial assets carried at amortised cost
For financial assets carried at amortised cost (such as trade receivables), the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

FOR THE YEAR ENDED 31 DECEMBER 2014

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Impairment on available-for-sale investments
The Company assesses at each reporting date whether there is objective evidence that an investment in quoted shares is impaired. The objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Company evaluates, among other factors, historical share price movements and the duration or extent to which the fair value of an investment is less than its cost.

ii). Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

Afriland Properties Plc financial liabilities include trade and other payables and loans and borrowings.

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

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

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

De-recognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii). Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early

IFRS 15 Revenue from Contracts with Customers Continued
adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Company. They include:

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Properties
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment is effective immediately.

FOR THE YEAR ENDED 31 DECEMBER 2014

IFRS 13 Fair Value Measurement
The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The amendment must be applied prospectively.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 1- IAS 1 Disclosure Initiative
Effective for annual periods beginning on or after 1 January 2016. Early application is permitted and entities do not need to disclose that fact because the Board considers these amendments to be clarifications that do not affect an entity's accounting policies or accounting estimates.

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS1 requirements.

The amendments clarify:
- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income.

These amendments will impact the Corporation's financial statements presentation and disclosure requirements in IFRS, and do not affect recognition and measurement.

New and amended standards and interpretations

Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities
Effective for annual periods beginning on or after 1 January 2014. The amendments must be applied retrospectively, subject to certain transition reliefs.

The investment entities amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity.
The key amendments include:
- Investment entity' is defined in IFRS 10 Consolidated Financial Statements
- An entity must meet all three elements of the definition and consider whether it has four typical characteristics, in order to qualify as an investment entity
- An entity must consider all facts and circumstances, including its purpose and design, in making its assessment
- An investment entity accounts for its investments in subsidiaries at fair value through profit or loss in accordance with IFRS 9 (or IAS 39, as applicable), except for investments in subsidiaries that provide services that relate to the investment entity's investment activities, which must be consolidated

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

- An investment entity must measure its investment in another controlled investment entity at fair value
- A non-investment entity parent of an investment entity is not permitted to retain the fair value accounting that the investment entity subsidiary applies to its controlled investees
- For venture capital organisations, mutual funds, unit trusts and others that do not qualify as investment entities, the existing option in IAS 28 Investments in Associates and Joint Ventures, to measure investments in associates and joint ventures at fair value through profit or loss, is retained.

These amendments will not have any impact on the Company's financial statements.

Amendments to IAS 32- Offsetting Financial Assets and Financial Liabilities
Effective for annual periods beginning on or after 1 January 2014. The amendments must be applied retrospectively.

The amendments to IAS 32 Financial Instruments: Presentation clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems), which apply gross settlement mechanisms that are not simultaneous. The amendments clarify that rights of set-off must not only be legally enforceable in the normal course of business, but must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself. The amendments also clarify that rights of set-off must not be contingent on a future event.

The amendments clarify that only gross settlement mechanisms with features that eliminate or result in insignificant credit and liquidity risk and that process receivables and payables in a single settlement process or cycle would be, in effect, equivalent to net settlement and, therefore, meet the net settlement criterion.

These amendments do not have any impact on the current Company's financial statements.

Amendments to IAS 39- Novation of Derivatives and Continuation of Hedge Accounting
Effective for annual periods beginning on or after 1 January 2014. The amendments must be applied retrospectively. However, entities that discontinued hedge accounting in the past, because of a novation that would be in the scope of the amendments, may not reinstate that previous hedging relationship.

The amendments provide an exception to the requirement to discontinue hedge accounting in certain circumstances in which there is a change in counterparty to a hedging instrument in order to achieve clearing for that instrument.

The amendments cover novations:
- That arise as a consequence of laws or regulations, or the introduction of laws or regulations
- In which the parties to the hedging instrument agree that one or more clearing counterparties replace the original counterparty to become the new counterparty to each of the parties

Amendments to IAS 39- Novation of Derivatives and Continuation of Hedge Accounting Continued
- That did not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. All of the above criteria must be met to continue hedge accounting under this exception.

The amendments cover novations to central counterparties, as well as to intermediaries such as clearing members, or clients of the latter that are themselves intermediaries.

For novations that do not meet the criteria for the exception, entities have to assess the changes to the hedging instrument against the de-recognition criteria for financial instruments and the general conditions for continuation of hedge accounting.

These amendments do not have any impact on the current Company's financial statements.

Notes to the Financial Statements *Contd.*

FOR THE YEAR ENDED 31 DECEMBER 2014

IFRIC 21 Levies
Effective for annual periods beginning on or after 1 January 2014. The interpretation must be applied retrospectively.

IFRIC 21 is applicable to all levies other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation. Levies are defined in the interpretation as outflows of resources embodying economic benefits imposed by government on entities in accordance with legislation.

The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability is recognised before the specified minimum threshold is reached.

The interpretation does not address the accounting for the debit side of the transaction that arises from recognising a liability to pay a levy. Entities look to other standards to decide whether the recognition of a liability to pay a levy would give rise to an asset or an expense under the relevant standards.

These amendments do not have any impact on the current Company's financial statements.

IAS 36 Recoverable Amount Disclosures for Non- Financial Assets Amendments to IAS 36
Effective for annual periods beginning on or after 1 January 2014. The amendments must be applied retrospectively.

The amendments to IAS 36 Impairment of Assets clarify the disclosure requirements in respect of fair value less costs of disposal. The amendments remove the requirement to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant.

In addition, the IASB added two disclosure requirements:
Additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal.
Information about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique. The amendments harmonise disclosure requirements between value in use and fair value less costs of disposal.

These amendments do not have any impact on the current Company's financial statements.

4. **Business combinations**

Acquisitions in 2014

Acquisition of Heirs Real Estate Limited
On 7 April 2014, the Company acquired 100% of the voting shares of Heirs Real Estate Limited, an unlisted Company in Nigeria and specialising in real estate development, in exchange for the Company's shares. The Company acquired Heirs Real Estate Limited because it significantly enlarges the Company's real estate development business.

	Fair value Recognised on acquisition ₦'000
Assets	
Property, plant and equipment (Note 12)	6,971
Falomo project cost	300,000
Trade receivables	18,826
	325,797
Liability	
Trade payables	(150)
	(150)
Total identifiable net assets at fair value	325,647
Goodwill arising on acquisition (Note 13)	842,471
Purchase consideration transferred	**1,168,118**

During the year Afriland Properties Plc acquire 100% shares of Heirs Real Estate (HRE) and the assets and liabilities of HRE was transferred into Afriland's book and HRE was subsequently deregister. HRE is no longer a separate legal entity.

The goodwill of N842,471 comprises the value of expected synergies arising from the acquisition, which is not separately recognised. Goodwill is allocated entirely to the Falomo Shopping Mall Project. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Company issued 249,000,000 ordinary shares as consideration for the 100% interest in Heirs Real Estate Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was N4.69 per share. The fair value of the consideration given was therefore N1,168,118,088.

	2014 ₦'000	**2013 ₦'000**
5. **Contract income**		
Recognised in profit or loss	45,592	124,859
Deferred income	-	53,511
Contract profit	45,592	178,370

Contract income represents revenue derived from the execution of facelifts for a customer's offices. The income is for supervision and it is earned over a period of time.

	2014 ₦'000	**2013 ₦'000**
6. **Fees and commission**		
Facility management	34,200	49,848
Agency	51,491	23,734
Project directorate	131,323	72,381
Project management	139,120	62,197
Service charge	-	4,166
Advance Payment Guarantee (APG)	3,854	2,714
	359,988	215,040

Notes to the Financial Statements *Contd.*

4. **Business combinations**

Acquisitions in 2014

Acquisition of Heirs Real Estate Limited

On 7 April 2014, the Company acquired 100% of the voting shares of Heirs Real Estate Limited, an unlisted Company in Nigeria and specialising in real estate development, in exchange for the Company's shares. The Company acquired Heirs Real Estate Limited because it significantly enlarges the Company's real estate development business.

	Fair value Recognised on acquisition ₦'000
Assets	
Property, plant and equipment (Note 12)	6,971
Falomo project cost	300,000
Trade receivables	18,826
	325,797
Liability	
Trade payables	(150)
	(150)
Total identifiable net assets at fair value	325,647
Goodwill arising on acquisition (Note 13)	842,471
Purchase consideration transferred	**1,168,118**

During the year Afriland Properties Plc acquire 100% shares of Heirs Real Estate (HRE) and the assets and liabilities of HRE was transferred into Afriland's book and HRE was subsequently deregister. HRE is no longer a separate legal entity.

The goodwill of N842,471 comprises the value of expected synergies arising from the acquisition, which is not separately recognised. Goodwill is allocated entirely to the Falomo Shopping Mall Project. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Company issued 249,000,000 ordinary shares as consideration for the 100% interest in Heirs Real Estate Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was N4.69 per share. The fair value of the consideration given was therefore N1,168,118,088.

	2014 ₦'000	2013 ₦'000
5. **Contract income**		
Recognised in profit or loss	45,592	124,859
Deferred income	-	53,511
Contract profit	45,592	178,370

Contract income represents revenue derived from the execution of facelifts for a customer's offices. The income is for supervision and it is earned over a period of time.

	2014 ₦'000	2013 ₦'000
6. **Fees and commission**		
Facility management	34,200	49,848
Agency	51,491	23,734
Project directorate	131,323	72,381
Project management	139,120	62,197
Service charge	-	4,166
Advance Payment Guarantee (APG)	3,854	2,714
	359,988	215,040

Notes to the Financial Statements *Contd.*

6.1	**Rental income**		
	Service charge	8,877	2,376
	Rental income	348,211	253,170
		357,088	255,546

There is no contingent rental income during the year ended 31 December 2014 (2013: Nil).

6.2 **Operating leases Company as lessor**

The Company has entered into leases on its property portfolio. The commercial property leases typically have lease terms between 1 and 5 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions.

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

	2014 N'000	2013 N'000
Within 1 year	112,059	29,860
After 1 year, but not more than 5 years	80,383	4,050
	192,442	33,910

NOTES TO THE FINANCIAL STATEMENTS - Continued

		2014 N'000	2013 N'000
7.	**Other operating income**	2,093	27

Other operating income was derived from non-core business activities like sales of tiles and interest income on staff loan during the year.

		2014 N'000	2013 N'000
8.	**Administrative expenses**		
	Staff costs	275,327	220,577
	Depreciation (Note 12)	10,317	3,995
	Amortisation (Note 13)	1,148	-
	Other administrative expenses (Note 8a)	497,613	260,314
	Write-off of investment properties (Note 14)	222,763	-
		1,007,168	484,886

		2014 N'000	2013 N'000
8a.	**Other administrative expenses**		
	Advertising and publicity	7,179	1,514
	Annual General Meeting (AGM) expenses	114,168	-
	Audit fee	6,300	5,250
	Bank charges	376	70

Notes to the Financial Statements *Contd.*

	Consultancy and professional fees	32,930	20,576
	Development fund	-	3
	Directors emoluments	22,168	11,570
	Donations	85,711	8,581
	Employee car allowance (Note 16)	5,200	5,200
	Entertainment	597	546
	Information system	4,532	3,002
	Insurance	1,058	277
	ITF levy	2,600	2,206
	Land use charge	3,372	-
	Merger expenses	-	55,792
	Newspapers and periodicals	27	31
	NITDA levy	-	4,290
	NSITF and NHF levy	4,041	2,206
	Printing and stationeries	764	513
	Rent and rates	418	887
	Repairs and maintenance	18,126	17,065
	Security expenses	11,663	3,301
	Subscriptions	1,334	150
	Taxes others	29,438	2,119
	Technical service fees	121,053	110,526
	Telephone and communication	2,547	1,783
	Travel and transport	10,951	2,856
	Training and development	4,089	-
	Loss on disposal of property, plant and equipment	6,971	-
		497,613	260,314

		2014	2013
		N'000	N'000
9.	**Finance income**		
	Interest income on bank placements	131,807	61,142
10.	**Income tax expense**		
	Profit or loss		
	Current income tax:		
	Company income tax	90,893	32,625
	Education tax	13,625	6,525
	Capital gains tax	30,542	16,887
	Under provision in prior year	-	22,918
	Current year income tax charge (Note 24a)	135,060	78,955
	Deferred tax:		
	Relating to origination of temporary difference (Note 24b)	100,669	63,853
	Total income tax expense reported in profit or loss	235,729	142,808

		2014	2013
		N'000	N'000
10a.	**Reconciliation of effective tax rate**		
	Profit before taxation	1,744,958	424,747
	Tax at Nigeria statutory income tax of 30%	523,487	127,424
	Disallowable expenses	126,412	36,544
	Disallowable income	(91,627)	(50,660)
	Effect of lower tax rate on fair value gain on investment	(366,710)	(16,830)

Notes to the Financial Statements *Contd.*

	191,562	96,478
Impact of Education tax	13,625	6,525
Capital gains tax	30,542	16,887
Under provision in prior year	-	22,918
	235,729	142,808

10b. Deferred tax expense

Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	8,639	7,382
Revaluation of investment properties to fair value	92,030	56,471
Deferred tax expense	100,669	63,853

11. **Basic/ diluted earnings per share (EPS)**Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations

	2014 N'000	2013 N'000
Profit for the year attributable to ordinary equity holders	1,509,229	281,939
	Number '000	**Number '000**
Weighted number of ordinary shares for basic earnings per share	1,186,750	1,000,000
Basic/ diluted earnings per share (Naira)	N1.27	N0.28

There are no dilutive instruments in issue, thus dilutive and basic EPS are same.

12. Property, Plant and equipment

	Freehold Land N'000	Building N'000	Plant and Machinery N'000	Furniture, Fittings and Equipment N'000	Motor Vehicles N'000	Computer Equipment N'000	Total N'000
Cost:							
At 1 January 2013	-	-	-	1,156	-	1,637	2,793
Additions	-	-	2,657	3,881	18,145	797	25,480
Disposals	-	-	-	-	-	(1,333)	(1,333)
At 31 December 2013	**-**	**-**	**2,657**	**5,037**	**18,145**	**1,101**	**26,940**
Additions	174,139	75,861	-	8,211	-	6,300	264,511
Acquisition via business combination(Note 4)	-	-	-	-	6,891	80	
6,971							
Disposal	-	-	-	-	(6,891)	(80)	(6,971)
At 31 December 2014	174,139	75,861	2,657	13,248	18,145	7,401	291,451
Accumulated depreciation:							
At 1 January 2013	-	-	-	1,155	-	1,637	2,792
Charge for the year	-	-	1,329	235	2,282	149	3,995
Disposals	-	-	-	-	-	(1,333)	(1,333)

Notes to the Financial Statements *Contd.*

At 31 December 2013			**1,329**	**1,390**	**2,282**	**453**	**5,454**
Charge for the year	**-**	**129**	**1,328**	**3,189**	**4,546**	**1,125**	**10,317**
At 31 December 2014	**-**	**129**	**2,657**	**4,579**	**6,828**	**1,578**	**15,771**
Net book value:							
At 31 December 2014	**174,139**	**75,732**	**-**	**8,669**	**11,317**	**5,823**	**275,680**
At 31 December 2013	**-**	**-**	**1,328**	**3,647**	**15,863**	**648**	**21,486**

		Goodwill N'000	Computer Software N'000	Asset-in-Progress N'000	Total N'000
13.	**Intangible assets**				
	Cost:				
	At 1 January 2014	-	-	-	-
	Additions	842,471	6,917	5,539	854,927
	At 31 December 2014	842,471	6,917	5,539	854,927
	Amortization/impairment:				
	At 1 January 2014	-	-	-	-
	Charge for the year	-	1,148	-	1,148
	At 31 December 2014	-	1,148	-	1,148
	Net book value:				
	At 31 December 2014	842,471	5,769	5,539	853,779
	At 31 December 2013	-	-	-	-

Goodwill acquired through business combinations with indefinite lives is allocated to the Falomo Shopping Mall project CGUs, which is also operating and reportable segments, for impairment testing.

The recoverable amount of this Cash Generating Unit was based on its value in use and was determined by discounting the future cash flow projections from the financial budgets approved by Board of Directors covering a 5 year period. The calculation of value in use was based on the following key assumptions:

Cash flow was projected based on the past experience and a 5 year operating cash flow.

Revenue growth rate
The revenue growth rate was based on 40% per annum. Decrease in revenue growth rate could result to an impairment of the Cash Generating Unit.

Pre-tax discount rate
The pre-tax discount rate of 18% was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the past experience and industry weighted average cost of capital which was based on the incremental borrowing rate. A significant increase in pre-tax discount rate could result in an impairment of the Cash Generating Unit.

Gross margin
The Gross margin was projected as 30% per annum. A decrease in gross margin could result in an impairment of the Cash Generating Unit.

As a result of this analysis, there was no impairment charged as at 31 December 2014.

		2014 N'000	2013 N'000
14.	**Investment properties**		
	At 1 January	2,554,729	-
	Acquisitions arising from UBA Spin-off (Note 14a)	-	2,496,000
	Additions (subsequent expenditure)	40,674	10,772
	Disposals	(127,028)	(36,194)
	Write-off (Note 14b)	(222,763)	-
	Net gain from fair value adjustments	1,222,368	84,151
	At 31 December	3,467,980	2,554,729

The Company's investment properties consist of several properties across Nigeria. Management determined that the investment properties consist of three classes of assets office, residential and bare lands - based on the nature, characteristics and risks of each property.

As at 31 December 2014, the fair values of the properties are based on valuations performed by external professional, Emma Ezeama& Company, a firm of Chartered Estate Surveyors and an accredited independent valuer with a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied after making the following assumptions:

a). That the information which the valuation is based on is correct;
b). That the title to the property is good and marketable;
c). That the property is not adversely affected by or subject to compulsory acquisition, road widening, new proposal or planning scheme;
d). That the property is free from all onerous charges and restrictions.

The investment properties were valued on the basis of open market; that is the price which an interest in a property or an item of plant and machinery might reasonably be expected to realise in a sale by a private treaty assuming:

a). a willing buyer;
b). a reasonable period within which to negotiate the sale taking into account the nature of the assets and the state of the market;
c). values will remain static throughout the period;
d). the assets will be freely exposed to the market;
e). no account is to be taken of an additional bid by a special purchaser;
f). no account is to be taken of expense of realisation, which may arise in the event of a disposal.

Significant unobservable valuation input:

Estimated price per square meters adjusted for the nature, location and conditions of the investment properties.

	Range
Price per square metre	N20,000 N75,000

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

14a. This represents the net book value of the excess real estate assets of UBA transferred to Afriland Properties Plc at the time of spin-off. The title documents for the properties have been perfected.

14b. Some of the investment properties were revoked by Government while some could not be located. The costs of such properties were written-off during the year.

14c. The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 34.

15. Available-for-sale investments

The Company has investments in equity shares of listed company. The Fair value of these quoted equity shares are determined by reference to published price quotations in an active market.

	2014 N'000	2013 N'000
Cost: (Market value N1.5 billion)	1,500,000	-

Impairment on available-for-sale investments

The Company assesses at each reporting date whether there is objective evidence that an investment in quoted shares is impaired. The objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Company evaluates, among other factors, historical share price movements and the duration or extent to which the fair value of an investment is less than its cost.

Based on these criteria, the Company did not identify any impairment on available-for-sale investments in quoted equity shares for the year.

Notes to the Financial Statements *Contd.*

		2014	2013
16.	**Prepayments (non-current)**	N'000	N'000
	Prepaid employees' car allowance	10,400	15,600

The prepaid employees' car allowance represents the unamortised portion of 5 years car allowance granted to the employees in 2013. The balance is expected to be written off over 3 years.

	2014	2013
	N'000	N'000
At 1 January	20,800	-
Addition during the year	-	26,000
	20,800	26,000
Charged to profit or loss (Note 8a)	(5,200)	(5,200)
At 31 December	15,600	20,800
Current (Note 19)	5,200	5,200
Non-current	10,400	15,600
At 31 December	15,600	20,800

17.	**Trade and other receivables**		
	Trade receivables	15,571	232,119
	Rent receivables	3,970	56,920
	Due from related parties (Note 26)	28,680	-
	Withholding tax receivable	61,918	33,898
	Receivable from sale of tiles	13,600	-
	Staff debtors	26,982	-
	Sundry debtors	9,466	8,862
		160,187	331,799

Rent receivables are non-interest bearing and are typically due within 30 days. There are no impairments on the receivables as at year-end based on the payment terms with the counter-parties.

		2014	2013
		N'000	N'000
18.	**Advance to contractors**		
	Ndahbros project	-	34,650
	Okokomaiko construction project	83,031	-
	Abagana construction project	30,106	-
	Club road project	3,567	-
	Odo-aro project	3,100	-
	Falomo project	1,607,935	-
	Oniru project	33,241	-
		1,760,980	34,650

The advance to contractors represents payments made to contractors in respect of various ongoing projects. Included in the cost of Falomo project is N74,074,670 capitalised borrowing cost. The rate used to determine the amount of borrowing costs eligible for capitalisation was 19.5%, which is the effective interest rate of the specific borrowing.

		2014	2013
		N'000	N'000
19.	**Prepayments (current)**		
	Health insurance	2,472	469
	Motor vehicles insurance	567	496
	Generator set maintenance	-	88
	Software licence fees	375	244
	Employee car allowance (Note 16)	5,200	5,200
		8,614	6,497

Notes to the Financial Statements *Contd.*

		2014 N'000	2013 N'000
20.	**Cash and cash equivalents**		
	Cash at bank	32,224	31,382
	Short-term deposits	125,391	1,238,025
	Cash equivalents	157,615	1,269,407
	Cash and cash equivalents	157,615	1,269,407

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and short-term deposits.

		2014 N'000	2013 N'000
21.	**Share capital and share premium**		
21a.	**Share capital**		
	Authorised share capital		
	1,350,000,000 (2013: 1,000,000,000) ordinary shares of 50k each	675,000	500,000

On 8 January 2014 the Corporate Affairs Commission (CAC) approved the application made by the Company to increase its authorised share capital from 1,000,000,000 ordinary shares of 50k each to 1,350,000,000 ordinary shares of 50k each by creation of 350,000,000 ordinary shares of 50k each.

	2013 N'000	2013 N'000
Issued share capital		
At 1 January (1,000,000,000 ordinary shares of 50k each)	500,000	500,000
Issued during the year (249,000,000 ordinary shares of 50k each)	124,500	-
At 31 December (1,249,000,000 (2013: 1,000,000,000) ordinary shares of 50k each)	624,500	500,000

During the year, the Company issued 174,300,000 and 74,700,000 ordinary shares of 50k each to Heirs Holdings Limited and Mrs. Awele Vivien Elumelu respectively at N4.69k in accordance with the scheme of merger between Heirs Real Estate Limited and Afriland Properties Plc.

		2013 N'000	2013 N'000
21b.	**Share premium**		
	At 1 January	1,996,000	-
	Issuance of share on business combination Heirs Real Estate1,043,618	-	
	Issuance of share on UBA Spin-off	-	1,996,000
	At 31 December	3,039,618	1,996,000

The current year share premium amount represents premium of N4.19 on 249,000,000 ordinary shares issued to the members of Heirs Real Estate Limited (Heirs Holdings Limited and Mrs. Awele Vivien Elumelu) during the year. See Note 4 for details.

The opening share premium amount represents the excess amount of the net book value of investment properties transferred from UBA to Afriland Properties Plc in exchange for 1 billion ordinary shares of the Company with nominal value of N0.50 per share.

The share premium amount form part of the non-distributable reserves of the Company which can be used only for the purposes specified under Companies and Allied Matters Act, CAP C20, LFN 2004.

Notes to the Financial Statements *Contd.*

		2014	2013
21c.	**Dividend distribution made and proposed**	N'000	N'000
	Final dividend for 2013: 10 kobo per share (2012: Nil)	100,000	-
	Proposed dividends on ordinary shares:		
	Final cash dividend for 2014: 40 kobo per share (2013: 10 kobo Per share)	499,600	100,000

Proposed dividend on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at the reporting date.

		2014	2013
		N'000	N'000
22.	**Trade and other payables**		
	Trade payables	231,492	315,064
	Accruals	199,227	123,426
	Accrued interest on term-loan	74,075	-
	Due to related parties (Note 26)	44,192	8,581
	Rentals received for third parties	51,990	394,631
	Service charge payable	21,531	22,854
	Value Added Tax	62,629	57,911
	Withholding Tax	102,699	35,423
	Other payables	13,057	33,344
		800,892	991,234
23.	**Deferred income**		
	Contracts obtained	72,818	197,577
	Service charge received in advance	-	586
	Rents received in advance	187,354	74,638
	Advance receipts for sales of properties	14,500	-
		274,672	272,801
24.	**Taxation**		
24a.	Current tax payable		
	As at 1 January	78,955	-
	Charge for the year (Note 10)	135,060	78,955
	Payments during the year	(44,649)	
	At 31 December	169,366	78,955

		2014	2013
24b.	**Deferred tax**	N'000	N'000
	As at 1 January	63,853	
	Charge for the year (Note 10)	100,699	63,853
	At 31 December	164,523	63,853
	Deferred tax relates to the following:		
	Accelerated depreciation for tax purposes	8,639	7,382
	Revaluation of investment properties to fair value	92,060	56,471
	Deferred tax expense	100,699	63,853

25. Interest-bearing loans and borrowings (Non-current)

	Interest rate %	Maturity	2014 N'000	2013 N'000
N6,500,000,000 bank loan	19.5	6 Aug 2017	400,000	-
N6,500,000,000 bank loan	19.5	15 Aug 2017	170,598	-
N6,500,000,000 bank loan	19.5	18 Aug 2017	630,000	-
N6,500,000,000 bank loan	19.5	24 Aug 2017	180,512	-
Total non-current interest-bearing loans and borrowings			1,381,110	-

The term-loans are obtained from United Bank of Africa Plc for 36 months with 18 months moratorium. The interest rates applicable to the loan are 19.5% per annum and are secured with;

a). Assignment/Charges over project documents and receivables (insurance policies, performance bond/guarantees, project revenues and project accounts).

b). Third party legal mortgage on the following properties or any other properties acceptable to the bank.
i). Plot 16 Oniru Chieftaincy Family, Lekki, Lagos
ii). 2, AdetokunboAdemola Victoria Island, Lagos
iii). 1662, OyinJolayemi Street, Victoria Island, Lagos
The total estimated value of the properties is in excess of N3 billion

c). APG from contractors paid in advance

d). 5% performance bond by each of the major contractors

26. Related party transactions

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

The key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Company.

The following table provides the summary of outstanding balances in respect of transactions that have been entered into with related parties for the relevant financial year.

	2014	2013
	N'000	N'000
Due from related parties	28,680	-
Due to related parties	(257,947)	(8,581)
	(229,267)	(8,581)

	2014	2013
	N'000	N'000
Trading transactions		
Due from related parties		
Heirs Holdings Limited	28,680	-
	28,680	-
Due to related parties		
Tony Elumelu Foundation	44,192	8,581
	44,192	8,581

Nature, terms and conditions of transactions with related parties
The Company enters into transactions with Heirs Holdings Limited which owns 3.84% of Afriland Properties Plc shareholding. The sales to and purchases from related parties are made at normal market prices. There is no record of any impairment of receivables relating to amounts owed by related during the year.

Tony Elumelu Foundation (TEF) is a non-governmental and not-for-profit organisation that was established to transform communities that have been ravaged by natural disasters, hazards and conflicts into thriving and economically sustainable communities. The Founder of TEF is the current Chairman of Heirs Holding Limited owns 3.84% of Afriland Properties Plc shareholding. Afriland Properties Plc does Community Service Responsibilities projects up to 2% of its profit before tax through the foundation.

Technical service fee

The Company has a technical service fee agreement with Heirs Holding Limited which is based on 5% of the profit before tax and minimum of N100 million per annum net of taxes. The amount for the year ended 31 December 2014 is N100 million (2013: N100 million).

	2014	2013
Compensation of the Directors of the Company	N'000	N'000
Short term employment benefits (executive director's salary)	40,000	9,820
Fees paid for meetings attended	8,011	4,500
Other emoluments	12,650	7,070
Total compensation paid to the Directors	60,661	21,390
Highest paid Director	43,000	9,820

The number of directors excluding the Chairman whose emoluments fell within the following ranges were:-

	2014	2013
	Number	Number
Up to N2,200,000	1	-
N2,200,001 N10,200,000	3	4
N10,200,001 and above	1	-
	5	4

		2014	2013
27.	**Operating activities**	N'000	N'000
	Profit before taxation	1,744,958	424,747
	Income tax expense	(235,729)	(142,808)
		1,509,229	281,939
	Adjustment for:		
	Amortisation	1,148	-
	Depreciation of property, plant and equipment	10,317	3,995
	Profit on disposal of investment properties	(305,422)	(168,868)
	Loss on disposal of property, plant and equipment	6,971	-
	Write-off of investment properties	222,763	-
	Interest income	(131,807)	(61,142)
	Net gain from fair value adjustments on investment properties	(1,222,368)	(84,151)
		90,831	(28,227)
	Decrease /(increase) in trade and other receivables	190,437	(331,021)
	Increase in deferred income	1,872	272,801
	Decrease /(increase) in prepayments	3,083	(22,097)
	Increase in advance to contractors	(1,426,329)	(34,650)
	(Decrease) /increase in trade and other payables	(190,493)	722,601
	Increase in income taxation	90,411	78,955
	Increase in deferred tax	100,670	63,853
		(1,230,349)	750,442
	Net cash flows from Operating activities	(1,139,518)	722,215

28. Information relating to employees

(a) The average number of persons employed full time by the Company during the year, excluding Directors were as follows:

	2014 Numbers	2013 Numbers
Executive office	2	2
Project management office	1	1
Facilities management and projects	19	20
Technical consultancy	5	5
Business development	3	3
Other business support	10	10
	40	38

	2014 '000	2013 '000
Salaries and wages including staff bonuses	259,395	209,384
Contributions to pension scheme	15,932	11,193
	275,327	220,577

(b) Employees of the company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

NN		2014 Numbers	2013 Numbers
420,001	900,000	3	3
900,001	2,000,000	6	6
2,000,001	4,000,000	7	7
4,000,001	6,000,000	7	7
6,000,001	8,000,000	11	11
Above 8,000,001		6	4
		40	38

29. Litigation and claims

There is a contingent liability in respect of a legal action against the Company for amount of N122 million (2013: N22 million) for which no provision has been made.

The claimant's claim is that the Company failed to restore its property to its original state before it was handed over. The suit is at the trial stage and the Directors are of the opinion that no significant liability will arise therefrom. N22 million is claimed as damages.

The claimant's claims an illegal and unconstitutional arrest, torture, deprivation of food and detention. The claimant claims N100 million damages.

30. Capital commitments

The Company had no capital commitment as at 31 December 2014 (2013: Nil).

31. Events after the reporting period

There were no known events after the reporting period which could have a relevant impact on the financial statements of the Company that had not been adequately provided for or disclosed in the financial statements.

Notes to the Financial Statements *Contd.*

32. Financial instrument's risk management objectives and policies

The Company is exposed to market risk (including interest rate risk and real estate risk), credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. As such, the Company's senior management is supported by the Finance & General Purpose Committee (F&GPC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The F&GPC provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies for risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market risk
Market risk is the risk that the fair values and/ or cash flows of financial instruments will fluctuate because of changes in market prices thus resulting in loss of earnings and/or capital to the Company. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and AFS investments.

Equity price risk
The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk by placing limits on individual and total equity instruments. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was N1,500,000,000.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The day-to-day management of interest rate risk is done by the Finance and Investment department; this is reviewed by the Board's Finance & General Purpose Committee (F&GPC) on a quarterly basis.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and cash equivalents. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings and deposits. The company manages through the option of securing overdrafts to finance projects rather than long term loans.

32. Financial instrument's risk management objectives and policies Continued

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of cash equivalents. With all other variables held constant, the Company's profit before tax is affected through the impact on floating interest rate on cash equivalents, as follows:

	Increase/decrease in basis points	Effect on profit before tax N'000
2014	(+5)	577
	(-5)	(577)
2013	(+5)	4,878
	(-5)	(4,878)

Credit risk Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its rental activities and its project management and directorate activities, including deposits with banks and financial institutions. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement.

Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and deposits with bank and other financial institutions. Credit terms are set with clients based on past experiences, payment history and reputations of the customers.

Tenant receivables
Tenants are assessed according to Company criteria prior to entering into lease arrangements. Rentals are collected in advance from rental units to limit exposures.

Credit risk related to financial instruments and cash deposit
Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparties. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance & General Purpose Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Impairment analysis and ageing analysis

In thousands of Naira

As at 31 December 2014	Carrying Amount	Neither past due nor Impaired	Past due but not impaired		Fully performing
			Between 1 and 3 months	Between 3 and 6 months	
Financial assets					
Short term deposits	125,391	125,391	-	-	125,391
Trade receivables	15,571	-	5,089	10,482	15,571
Rent receivables	3,970	-	-	3,970	3,970
Due from related parties	28,680	-	9,381	19,299	28,680
Sundry debtors	9,466	604	-	8,862	9,466
Staff debtors	26,982	26,982	-	-	26,982
Receivable from sale of tiles	13,600	-	13,600	-	13,600

In thousands of Naira

As at 31 December 2013	Carrying Amount	Neither past due nor Impaired	Past due but not impaired		Fully performing
			Between 1 and 3 months	Between 3 and 6 months	
Financial assets					
Short term deposits	1,238,025	1,238,025	-	-	1,238,025
Trade receivables	232,119	39,851	34,224	158,044	232,119
Rent receivables	56,920	-	3,970	52,950	56,920
Sundry debtors	8,862	-	8,862	-	8,862

Liquidity Risk
Liquidity Risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow as they fall due. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and possibly loans in the future.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

In thousands of Naira

As at 31 December 2014	Carrying amount	On demand	Between 2 months and 1 year	Between 1 and 5 years
Financial liabilities				
Due to related parties	44,192	44,192	-	-
Trade payables	231,492	231,492	-	-
Rentals received for third parties	51,990	51,990	-	-
Service charge payable	21,531	-	21,531	-
Accruals and other payables	451,687	-	451,687	-
Interest-bearing loans and borrowings	1,381,110	-	-	1,381,110

Notes to the Financial Statements *Contd.*

In thousands of Naira

As at 31 December 2013	Carrying amount	On demand	Between 2 months and 1 year	Between 1 and 5 years
Financial liabilities				
Due to related parties	8,581	8,581	-	-
Trade payables	315,064	315,064	-	-
Rentals received for third parties	394,631	394,631	-	-
Service charge payable	22,854	-	22,854	-
Accruals and other payables	250,104	-	250,104	-

33. Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements.

In thousands of Naira

As at 31 December 2014	Carrying amount	Fair value
Financial assets		
Trade and other receivables	160,187	160,187
Advance to contractors	1,760,980	1,760,980
Cash and short term deposits	157,615	157,615
Financial liabilities		
Trade and other payables	800,892	800,892
Interest-bearing loans and borrowings	1,381,110	1,381,110

In thousands of Naira

As at 31 December 2013	Carrying amount	Fair value
Financial assets		
Trade and other receivables	331,799	331,799
Advance to contractors	34,650	34,650
Cash and cash equivalents	1,269,407	1,269,407
Financial liabilities		
Trade and other payables	991,234	991,234

The management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

34. Fair value measurement

Fair value hierarchy for financial instruments measured at fair value as at 31 December 2014:

In thousands of Naira

As at 31 December 2014	Total	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value				
Investment properties	3,467,980	-	-	3,467,980
Available-for-sale investment				
Quoted equity shares	1,500,000	1,500,000	-	-

There have been no transfers between the Levels during the year.

Notes to the Financial Statements *Contd.*

In thousands of Naira **As at 31 December 2013**	Total	Quoted price Inactive markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value				
Investment properties	2,554,729	-	-	2,554,729

There have been no transfers between the Levels during 2013.

The fair values of the AFS financial assets are derived from quoted market prices in active markets.

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

35. Capital management

There is a risk that the Company may not have adequate capital in relation its risk profile and/or to absorb losses when they arise. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The policies for managing capital are to increase shareholders' value by maximizing profits and cash.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 10% and 30%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	2014 N'000	2013 N'000
Interest-bearing loans and borrowings (Note 25)	1,381,110	-
Trade and other payables (Note 22)	800,892	991,234
Less: cash and short-term deposits (Note 20)	(157,615)	(1,269,407)
Net debt	2,024,387	(278,173)
Total equity	5,404,672	2,827,325
Capital and net debt	7,429,059	2,549,152
Net Debt/ (cash) to equity (%)	27.2%	-10.9%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 2013.

36. Segment information

Segment information is presented in respect of the Company's business segments. The primary format, business segments, is based on the Company's management and internal reporting structure.

Business segments:
In thousands of Naira

	Facilities management		Project development		Business Development		Others		Total	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Revenue:										
Derived from external customers	715,553	236,903	220,170	72,381	1,623,754	536,493	192,649	63,856	**2,752,126**	**909,633**
Inter-segment	-	-	-	-	-	-	-	-	-	-
Total revenue	**715,553**	**236,903**	**220,170**	**72,381**	**1,623,754**	**536,493**	**192,649**	**63,856**	**2,752,126**	**909,633**
Expenses:										
Depreciation and amortization	2,786	1,079	825	317	6,088	2,357	618	242	**10,317**	**3,995**
Other operating expenses	169,465	82,393	35,887	17,329	677,858	325,258	113,641	55,911	**996,851**	**480,891**
Total expenses	**172,251**	**83,472**	**36,712**	**17,646**	**683,946**	**327,615**	**114,259**	**56,153**	**1,007,168**	**484,886**
Profit before taxation	**543,302**	**153,431**	**183,458**	**54,735**	**939,808**	**208,878**	**78,390**	**7,703**	**1,744,958**	**424,747**
Assets and liabilities:										
Total tangible assets	1,027,804	592,807	624,024	358,945	5,102,312	2,941,678	587,316	340,738	**7,341,456**	**4,234,168**
Intangible assets	-	-	-	-	-	-	853,779	-	**853,779**	-
Total assets	**1,027,804**	**592,807**	**624,024**	**358,945**	**5,102,312**	**2,941,678**	**1,441,095**	**340,738**	**8,195,235**	**4,234,168**
Total liabilities	**558,113**	**284,586**	**44,649**	**22,220**	**1,741,311**	**874,185**	**446,490**	**225,852**	**2,790,563**	**1,406,843**
Net assets	**469,691**	**308,221**	**579,375**	**336,725**	**3,361,001**	**2,067,493**	**994,605**	**114,886**	**5,404,672**	**2,827,325**

Value Added Statement

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014		2013	
	'000		N'000	
Net operating income	1,090,436		595,445	
Cost of services - Local	(720,376)		(260,314)	
	370,060		335,131	
Other operating income	2,093		27	
Finance income	131,807		61,142	
Profit on disposal of investment properties	305,422		168,868	
Valuation gains from investment properties	1,222,368		84,151	
Value added	2,031,750		649,319	
Applied as follows:				
		%		%
To employees:				
- as salaries and labour related expenses	275,327	14	220,577	34
To Government:				
- as company taxes	135,060	9	78,955	12
Retained for the company's future:				
- for assets replacement				
(Depreciation and amortisation)	11,465	1	3,995	1
- deferred taxation	100,669	3	63,853	10
- profit for the year	1,509,229	73	281,939	43
	2,031,750	100	649,319	100

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, government and that retained for future creation of wealth.

Five-Year Financial Summary

	IFRS			NGAAP	
	2014	2013	2012	2011	2010
	N'000	N'000	N'000	N'000	N'000
Statement of financial position					
Assets and liabilities:					
Property, plant and equipment	275,680	21,486	1	1,396	2,793
Intangible asset	853,779	-	-	-	-
Investment properties	3,467,980	2,554,729	-	-	-
Available-for-sale investments	1,500,000	-	-	-	-
Prepayment (non-current)	10,400	15,600	-	-	-
Net current assets /(liabilities)	842,466	299,363	549,385	514,731	(2,793)
Deferred tax	(164,523)	(63,853)	-	-	-
Interest-bearing loans and borrowings	(1,381,110)	-	-	-	-
	5,404,672	2,827,325	549,386	516,127	-
Shareholders' fund					
Issued share capital	624,500	500,000	500,000	500,000	-
Share premium	3,039,618	1,996,000	-	-	-
Retained earnings	1,740,554	331,325	49,386	16,127	-
	5,404,672	2,827,325	549,386	516,127	-

	IFRS				LOCAL GAAP
Operating income	1,090,436	595,445	22,945	13,698	-
Profit before taxation	1,744,958	424,747	33,259	17,524	-
Taxation	(235,729)	(142,808)	-	-	-
Profit after taxation	1,509,229	281,939	33,259	17,524	-
Basic/ diluted earnings per share (Naira)	N1.27	N0.28	N0.03	N0.02	-

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of Afriland Properties Plc (the "Company") will hold on Wednesday, April 8, 2015 at the Banquet Hall, Lagoon Restaurant, Ozumba Mbadiwe Street, Victoria Island, Lagos at 2.00pm to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended December 31, 2014 together with the Reports of the Directors, Auditors and Statutory Audit Committee thereon;

2. To declare Dividend;

3. To elect/re-elect Directors;

4. To authorize the Directors to fix the remuneration of the Auditors;

5. To elect members of the Statutory Audit Committee

SPECIAL BUSINESS

6. To Consider and if thought fit, pass the following as special resolutions:

   a) That the Directors be and are hereby authorized to invest in or acquire or divest from any business entity and to carry out as they deem appropriate and in accordance with any relevant laws thereto, any actions, including but not limited to restructuring, reorganization, reconstruction and business arrangement exercises and actions for the Company;

   b) That subject to regulatory approval, the Directors be and are hereby authorized totake all steps and do all acts that they deem necessary in furtherance of the above resolutions including but not limited to appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deemappropriate.

Dated this 13th day of March, 2015

By Order of the Board

OBONG IDIONG
FRC/2013/NBA/00000004696
Company Secretary
Afriland Properties Plc
223 EtimInyang Crescent
Victoria Island, Lagos
Nigeria

Notes

1. **PROXY**
A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Company's Registrars, Africa Prudential Registrars Plc, No. 220B Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the time fixed for the meeting.

2. **DIVIDEND WARRANTS**
If the dividend recommended by Directors is approved, dividend warrants will be posted on Thursday, 9th April, 2015 to all shareholders whose names appear in the Company's Register of Members at the close of business on Friday, March 20, 2015.

3. **CLOSURE OF REGISTER**
The Register of Members and Transfer Books will be closed from Monday, March 23, 2015 to Friday, March 27, 2015 both days inclusive.

4. **AUDIT COMMITTEE**
In accordance with Section 359(5) of The Companies And Allied Matters Act, CAP C20, LFN, 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

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

6. **E-REPORT**

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

In addition, the electronic version of the Annual Report, 2014 are available online for viewing and download from our website at www.afrilandproperties.com

E-Dividend Mandate Form

Africa Prudential Registrars Plc
RC NO: 649007

E-DIVIDEND MANDATE FORM

Dear Shareholder,

We are pleased to advise you of our e-dividend service, which enables direct credit of your dividend(s) to your bank account regardless of the bank or account type, i.e Current/Savings Accounts.

Kindly fill the spaces provided below and return to us. Please use the name(s) in which your shares are held, with the signature on your Application or Transfer Form.

Thank you.

Note:
*** = Compulsory fields**
Supply of information on your Bank Name, Bank Account No., E-mail address and GSM number are very important to enable us process your request.

SHAREHOLDER'S NAME*: ______________________
Surname *Other Names*

SHAREHOLDER'S ACCOUNT NO. (*if known*): ______

ADDRESS*: ______________________

GSM NUMBER*: ______

E-MAIL ADDRESS*: ______________________

DECLARATION
"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: ______________ Signature : ______________
for joint/corporate accounts only

BANK DETAILS

ACCOUNT NAME*: ______________ BANK*: ______

BANK ACCOUNT NO*: ______
Must be NUBAN

AGE OF ACCOUNT*: ______
Must be confirmed by the bank

***BANK'S STAMP & AUTHORIZED SIGNATURE**

DISCLAIMER
"In no event shall Africa Prudential Registrars be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE

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

OTHERS: ______________________

LAGOS: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: +234 (0)7080606400 | **ABUJA:** 11, Lafia Close, Area 8, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Plot 137, Oluobasanjo Road, (2nd floor), Port Harcourt, Rivers State. Tel: 084-303457
E-MAIL: info@africaprudentialregistrars.com | **WEBSITE:** www.africaprudentialregistrars.com
Africa Prudential Registrars Plc | @APRPlc

Shareholder Data Update Form

Africa Prudential Registrars Plc
RC NO: 649007

SHAREHOLDER DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. SPOUSE' NAME:
5. *MOTHER'S MAIDEN NAME:
6. *E-MAIL:
7. ALTERNATE E-MAIL:
8. *MOBILE No.: 9. SEX: MALE FEMALE
10. PHONE No. (HOME):
11. *POSTAL ADDRESS:
12. CSCS CLEARING HOUSE No.:
13. NAME OF STOCKBROKER: 14. OCCUPATION:
15. NATIONALITY:
16. NEXT OF KIN:

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shallbe held personally liable for any of my personal details."

Signature: ______________________

Signature : ______________________
for joint/corporate accounts only

DISCLAIMER

"In no event shall Africa Prudential Registrars be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE

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

OTHERS: ______________________

LAGOS: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: +234 (0)7080606400 | **ABUJA**: 11, Lafia Close, Area 8, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Plot 137, Oluobasanjo Road, (2nd floor), Port Harcourt, Rivers State. Tel: 084-303457
E-MAIL: info@africaprudentialregistrars.com | **WEBSITE**: www.africaprudentialregistrars.com

Africa Prudential Registrars Plc | @APRPlc

Proxy Form

Annual General Meeting of Afriland Properties Plc

I/We ______________________
Being a member/members of Afriland Properties Plc,
hereby appoint**

____

____

____

(block capitals please)

or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, April 8, 2015 or at any adjournment thereof.

Dated this   day of   2015

Shareholder's Signature: ______________________

NOTE:
Please sign this proxy form and deliver or post it to reach the registered office of the Registrar, Africa Prudential Registrars Plc, No. 220B, Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the meeting and ensure that the proxy form is dated, signed and stamped by the Commissioner for Stamp Duties.

Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked)** the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.

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

This proxy is solicited on behalf of the Board of Directors and is to be used at the Annual General Meeting to be held on Wednesday, April 8, 2015.

	Resolution	For	Against	Abstain
1	To receive the Audited Financial Statements for the year ended December 31, 2014 together with the reports of Directors, Auditors and Statutory Audit Committee			
2	To declare a dividend.			
3	To elect/re-elect Directors.			
4	To authorize the Directors to fix the remuneration of the Auditors.			
5	To elect members of the Statutory Audit Committee.			
6	That the Directors be and are hereby authorized to invest in or acquire or divest from any business entity and to carry out as they deem appropriate and in accordance with any relevant laws thereto, any actions, including but not limited to restructuring, reorganization, reconstruction and business arrangement exercises and actions for the Company . That subject to regulatory approval, the Directors be and are hereby authorized to take all steps and do all acts that they deem necessary in furtherance of the above resolutions including but not limited to appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate.			

Please indicate by marking "X" in the appropriate space, how you wish your votes to be cast on the resolutions set out above, unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

ADMISSION CARD

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

ANNUAL GENERAL MEETING
Afriland Properties Plc (RC 684746)

Please admit the shareholder named on this card or his duly appointed proxy to the Annual General Meeting of the company to be held at the the Banquet Hall, Lagoon Restaurant, Ozumba Mbadigwe Street, Victoria Island, Lagos at 2.00pm on Wednesday, April 8, 2015.

Name and address of Shareholder: ______________________

____

____

Account number: __________ No. of shares held __________ Shareholder's signature __________

Signature

Obong Idiong
Company Secretary

Please tick appropriate box before Admission to the meeting ☐ *Proxy* ☐ *Shareholder*

This card is to be signed at the venue in the presence of the Registrar.

Affix Postage Stamp

REGISTRARAfrica Prudential Registrars Plc
220B, Ikorodu Road
Palmgrove
Lagos.