Cappa and D'Alberto Plc.
Annual Report and Accounts
2017

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the sixty-seventh Annual General Meeting of Cappa and D'Alberto Plc will be held at the Muson Centre, Onikan, Lagos on Wednesday, 18th October, 2017 at 11.00 a.m. for the following purposes:-

Ordinary Business

1. To lay before the Company in General Meeting, the Financial Statements for the year ended 31st March, 2017 and the Report of the Auditors thereon, the Report of the Directors and the Report of the Audit Committee.

2. To declare a dividend.

3. To re-elect Directors.

4. To approve the remuneration of the Directors for the year ended 31st March 2017.

5. To authorize the Directors to fix the remuneration of the Auditors.

6. To elect members of the Audit Committee.

BY ORDER OF THE BOARD
Marina Nominees Limited
Secretaries
Lagos

Dated 19th July, 2017

N o t e s:

(i) **Proxies**
A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member. A proxy card is enclosed. It should be signed and deposited with the Registrar, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos not less than 48 hours before the time for the meeting.

(ii) **Closure of register**
The Company's Register of members will be closed from 18th to 21st September, 2017, both days inclusive.

(iii) **Dividend warrants**
If the payment of the dividend is approved, warrants will be posted on 30th October, 2017 to shareholders whose names appear in the Company's Register of Members at the close of business on 16th September, 2017.

(iv) **Audit Committee**
Any member may nominate a shareholder as member of the Audit Committee by giving notice in writing of such nomination to the Company Secretaries at least 21 days before the Annual General Meeting.

Cappa and D'Alberto Plc.
Corporate Information
Directors and Professional Advisers

Registered Head Office	-	72 Campbell Street Lagos, Nigeria.
Company Registration No	-	RC No: 768
Date of Incorporation	-	29th April 1950
Tax Identification Number	-	01061723-0001

<u>Board of Directors:</u>

Franco Gianotti	-	Chairman	
Comm. Giulio G. Gianotti			(Italian)
Giovanni Mello Grand	-	Managing Director	
Cav. Enrico Calvino	-	Executive	
Bruno G. Cappa	-	Executive	
Gian P. Salgarella	-	Executive	(Italian)
Levi U. Ikenyi	-	Executive	
Rasheed A. Gbadamosi (OFR)	-	Exited through natural causes 16th November 2016	
Engr. (Chief) Abayomi Kiyomi			
Chief Ademola R. Seriki			
Engr. Adetokunbo Coker			

Secretaries	-	Marina Nominees Limited 233 Ikorodu Road Ilupeju, Lagos
Solicitors	-	Olajide Oyewole & Co.
Registrar/ Transfer Office	-	Africa Prudential Registrars Plc. 220B Ikorodu Road Palmgrove - Lagos
Auditors	-	Goldwyns (Chartered Accountants)
Principal Bankers	-	Diamond Bank Plc.
	-	First City Monument Bank Plc.
	-	Guaranty Trust Bank Plc.
	-	Stanbic IBTC Bank Plc.
	-	United Bank for Africa Plc.
	-	Zenith Bank Plc.

Financial Highlights

	Group 2017 N' 000	*Restated* Group 2016 N' 000	% Change Increase/ (Decrease)	Company 2017 N' 000	*Restated* Company 2016 N' 000	% Change Increase/ (Decrease)
Major items in **Statement of Financial Position**						
Ordinary share capital	123,047	123,047	-	123,047	123,047	-
General reserves	240,972	240,972	-	239,235	239,235	-
Revenue reserves	10,772,564	7,754,079	39	10,738,340	7,746,950	39
Property, plant and equipment	1,891,955	1,673,943	13	1,888,409	1,666,378	13
Total assets	29,819,620	28,749,534	4	29,735,839	28,694,616	4
Total liabilities	18,613,452	20,635,783	(10)	18,588,238	20,605,166	(10)
Shareholders' funds	11,206,168	8,113,751	38	11,147,601	8,089,448	38
Major items in **Statement of Comprehensive Income**						
Revenues	22,478,694	24,806,724	(9)	22,459,519	24,788,641	(9)
Operating profit before tax	4,702,961	1,329,687	254	4,672,052	1,324,534	253
Income tax expense	1,364,554	358,736	280	1,360,740	356,128	282
Operating profits attributable to equity holders	3,338,407	970,951	244	3,311,312	968,406	242
Cashflow information						
Cash generated from operations	710,145	3,468,226	(80)	700,788	3,465,570	(80)
Cash and cash equivalents	18,963,663	18,445,229	3	18,900,150	18,394,649	3
Key financial information Per =N=0.50K share						
Earnings per share - basic (kobo)	1,357	395	244	1,346	394	242
Net assets (kobo)	4,554	3,297	38	4,530	3,287	38

Chairman's Statement

Ladies and Gentlemen,

On behalf of the Board of Directors, I welcome you all to the 67th Annual General Meeting of your Company. The economic and political policies of the new administration in the United States is shaping, wittingly or un-wittingly, a new world with the posturing of that government to reverse the impact of world economies driven by globalization, the withdrawal from "The Paris Agreement" under the United Nations Framework Cooperation on Climate Change and the notice to renegotiate the North America Free Trade Agreement that came into effect in 1994 with the potential to heighten "protectionism" with the un-intended consequences of gifting the benefits of that treaty to Asian Countries and the emergence of new world powers. This is equally reinforced by the threat of the United States government to withdraw its commitments to the North Atlantic Treaty Organization (NATO) a move seen by European leaders and anti-Europe causing disaffection between Brussels and Washington. The fabric of economic and social cooperation in the world is being thorn and this has definitely heightened global economic risks. The political climate within Nigeria as an economic zone has not fared better with the executive arm of government in perpetual loggerheads with the National Assembly with dire consequences on the economy. The economic performance of your Company as presented in the financial statements before you is indicative in part of the effects of these challenges and I will take time to address this in another segment of my report.

Board of Directors

With heavy heart I announce here formally the loss of one of the Nation's vibrant economist and industrialist – Chief Rasheed Gbadamosi a long outstanding member of the Board of Directors of your Company who served the Company meritoriously for a period of about 17 years (26th October 1999). In his honor I hereby call for a minute's silence. *May his gentle soul rest in peace.*
The remaining members of the Board have remained steadfast and forged ahead to direct the affairs of the Company to continually crate value and retain value in your Company despite the hard and difficult economic circumstances in which we operated in the reporting period.

The World Economy

The world economy is gradually improving and gained speed in the 4th quarter of 2016. This momentum is expected to continue in 2017.Global growth is projected at 3.5% in 2017 and 3.6% in 2018. Economic activities is projected to pick up rapidly in emerging markets and developing countries on the heels of easing of macroeconomic strains in commodity exports supported by the partial recovery in commodity prices while growth in China and many other commodity importers is expected to remain strong. In the advanced economies economic growth is expected to be significantly driven by higher projected growth in the United States.
Headline inflation has been picking up in advanced economies due to higher commodity prices but core inflation dynamics remain subdued and heterogeneous. Headline inflation is also picking up in emerging markets and developing economies. Risks to the world economy stem from the following factors

1. Protectionism - fueled by the policies in the new administration in United States.
2. Accelerated interest rate hike in the United States which could trigger a more rapid tightening in global financial conditions and a sharp dollar appreciation with adverse repercussions for vulnerable economies.
3. Aggressive rollback of financial regulations which could spur excessive risk taking and possible financial crises.
4. Non-economic factors including geopolitical tensions, domestic political discord, risks form weak governance, corruption, terrorism security concerns.

These risk are interconnected and can be mutually reinforcing.
OPEC - (Organization of Petroleum Exporting Countries) for the first time in eight years successfully cut oil production and supplies to the international market which resulted in an increase of about 8% in prices of crude oil. This decision was made on the 25th September 2016. The impact of this cut on international oil price has not been dramatic as crude oil has traded between $45 and $50 since then. While OPEC can be seen to have the capability to drive oil prices the continued relevance of oil for

World use is called to question with the advent of electric cars, wind and solar energy as alternative power sources thereby making oil dependent nations like Nigeria vulnerable.

The Nigerian economy and polity

The Nigeria economy slumped into recession in 2016 precipitated by poor management of the nation's resources and the sharp fall in crude oil prices form $112 per barrel in 2014 to below $50.00 in 2016 and still currently trending at about $50 per barrel. In tacking the Nation's recession the Federal Government developed and launched the Economic Recovery and Growth Plan (''EGRP''). The objectives of this plan can be pinned to three:

1. Restoration of growth, macroeconomic stability and diversification of the Nation's economy.
2. Investment in public infrastructure through robust Public Private Partnership (''PPP'').
3. Investment in the Nigerian people through managed support for the economically disadvantaged.

This plan as presented is similar to several that have been developed and implemented by successive administrations in recent past ranging from '' The 7 point Agenda (2007) of Umar Musa Yar'Adua administration to the ''Vision 20-20 (2016)'', National Industrial Revolution Plan (2014) of the Goodluck Jonathan administration and the Mohammadu Buhari's government "Strategic Implementation Plan for the Budget of Change (2016) a budget that was not passed until the third quarter of that year which vitiated its achievement.

While some of these plans could be said to have achieved some benefits for the Nigeria, implementation had always been the bane of these plans. The Federal Government has introduced some policies aimed at progressing the object of ''EGRP'' this included:

1. Stabilization and reversal of the Nations currency's deterioration against the major world currencies through the Central Bank of Nigeria's new policies in the management of the foreign exchange market that has seen a significant appreciation of the Naira against these currencies and the availability of foreign exchange to businesses. Some of these policies include the Naira- Settled Over-the Counter Forex Futures Market (FFM) and FMDQ OTC securities exchange.
2. Executive orders - Introduction of executive orders in government administration to improve administration and curtailing ''red-tapes''.
3. Privatization - The constitution of the Privatization Committee to re-institutes privatization and release of strategic assets to businesses for optional utilization and realization of foreign exchange by the Federal Government from the sale of these assets.

Developments in this Building and Construction Industry

The Gross Domestic Product from the construction sector in Nigerian increased to 660,920.64 NGN million in the fourth quarter of 2017 from 623,349.23 NGN million in the fourth quarter of 2016. The growth trend is positively going to increase over the remaining quarters of 2017 especially of the Federal Government follows through on the infrastructural development plan contained in the Economic Recovery and Growth Plan. The tax policy on the construction industry has however not been as laudable with the reversal of the withholding tax on contracts reversion to 5% from 2.5% instructed by Federal Government Gazette No 168 on Companies Income Tax (Rates….etc. of Tax Deducted at Source (Withholding Tax) Amendment Regulations 2016 that negatively impact on the cash flows of construction companies.

Scorecard

The Group recorded gross revenues of ₦ 22.479 Billion in 2017 as against the ₦ 24.806, Billion achieved in 2016. This represents a decrease of 9% compared to previous year performance. The Group operating profit before tax achieved for the year was ₦ 4.703 Billion as against the 2016 profit before tax of ₦ 1.330 Billion, an increase of 254% which was impacted by unrealized foreign exchange gain of NN2.8 billion. Technically, this means that an increase of 40% was achieved year on year.

Dividend

In view of the performance of the Group, the Board of Directors is recommending a gross dividend of ₦ 1.00k per ordinary share of ₦0.50k which translates to ₦246,093,750.00. This recommended dividend in the opinion of the Directors is consistent with the dividend policy of the Group which takes into consideration the interest of the shareholders, the group's reinvestment programs, prudence and ability to honor the financial obligations associated therewith.

Contracts completed in the Year and Progress Report on Contracts

During the year the company completed the following contracts:

1. Refurbishment of Mobil Residential Development at Victoria Island
2. Refurbishment of Luxury Flats at Ikoyi for Cable Point ltd.
3. The Cash Center for Bankers warehouse ltd.
4. Guaranty Trust Bank Plc – Data Centre – Ikoyi, Lagos
5. The Wings Office Development – Victoria Island - Lagos

The contract for the construction of a Hotel for Quantum Properties is still suspended. The Cornerstone Insurance Plc Head Office contract has been mutually determined and your Company has been compensated for Loss of Profit. Furthermore, due to circumstances beyond our control, the Falomo Shopping Mall project has been discontinued, we have also been compensated for loss of profit for the first phase of this project.

New Contracts

I am pleased to report that your Company has signed the following new contracts:

1. Holy Cross Cathedral Refurbishment - Lagos
2. Guaranty Trust Bank Plc Branch Office – Abuja
3. Residential Development for Empire Properties ltd - Lagos,

The Future

The economic down turn with the consequent recession continue to affect seriously the construction industry. Although there are signs of recovery it will still take a while before activities return to normal. In order to meet the challenges these hard times are posing, your Company is pursuing a very aggressive tendering policy with a view to securing as much as possible decent number of the few available contracts. Strategic measures are being taken in order to cut costs wherever possible without compromising the quality with which your company is identified. Technology is being introduced in our systems to make operations more effective and cost relevant.

Management and Staff

Collective agreements and related negotiations with the Construction and Civil Engineering Senior Staff Association and the National Union of Construction, Civil Engineering and Wood Workers recur almost every year but the Management has been able to address these effectively and I express my profound appreciation to the Management for a job well done. We can only succeed with full co-operation between management and staff and we hope that the cordial relationship between Management and staff will continue to flourish in our mutual interest. The Board and Management will continue to ensure that your Company honors all its obligations to its staff as it has always done in the past. An experienced workforce is one of the major assets of your Company and this enables us to stay ahead in this competitive and difficult business environment.

I wish to thank once again the Directors for their selfless service to that Company and wish them several more years of service to the Company.

Finally I thank you our Shareholders for your continued loyalty and support.

Franco Gianotti
Chairman

Directors' Report

The directors submit their report together with the audited financial statements of the group for the reporting period ended 31st March, 2017.

Results

	₦'000
The group profit for the period attributable to ordinary shareholders	3,338,407

Dividend
The Directors have recommended, for declaration at the annual general meeting, a dividend of ₦246.093.750.00 (N1.00 per share). The dividend shall be subject to withholding tax at the appropriate rate at the time of payment.

Legal Form
The Company was established as a partnership in 1932 and was incorporated in Nigeria in 1950 as a limited liability company. The Company's shares were admitted to the official list of the Nigerian Stock Exchange (NSE) in November, 1978. The Company's shares were however delisted from the official list of the NSE with effect from 24th March, 2009 and confirmation of that development was received from the Nigerian Stock Exchange on the 16th January 2015.

Principal activities
The Company operates principally as building and civil engineering contractors and its two wholly-owned subsidiaries stated hereunder are property owning and real estate development companies:

Subsidiary	Principal Business Activities	Date of Incorporation	Percentage Holding
Stone Road Properties Ltd	Real Estate Investment	Jan 1960	100%
Igbobi Development Co. Ltd	Real Estate Investment	May 1954	100%

Directors
The names of the Directors of the Company are listed on page 2.

Engr. Adetokunbo Coker the Director appointed since the last Annual General Meeting retires and being eligible offers himself for re-election.

In accordance with the Company's Articles of Association, Messrs F. Gianotti, L. U. Ikenyi and A. R. Seriki, shall retire by rotation and being eligible offer themselves for re-election.

Record of Directors' attendance
In accordance with Section 258(2) of the Companies and Allied Matters Act CAP C20 LFN 2004 the record of the Directors' attendance at Directors' meetings during the year is available for inspection at the Annual General Meeting.

Corporate Governance
The Board is responsible for the corporate governance of the Company. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial status of the Company and ensure that the accounts comply with the Companies and Allied Matters Act, CAP C20 LFN 2004 and other regulatory provisions. They are also responsible for safeguarding the assets of the Company by taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that, to the best of their knowledge and as at the date of this report, the Company has been and is in substantial compliance with the provisions of the Code of Corporate Governance in Nigeria.

Directors' Shareholdings
The directors' interests in the shares of the Company at 31st March, 2016 and 2017 were as follows:

	Number of shares held as at 31st March 2017	2016
Cav. E. Calvino	2,450	1,960

The Directors have advised that since 31st March, 2017 and up to 19th July, 2017 there has been no change in the above interests.

Other Directors' Interests
None of the Directors has notified the Company for the purpose of section 275 of the Companies and Allied Matters Act, CAP C20, LFN 2004 of any declarable interests in contracts with which the Company is involved either as at 31st March, 2017 or as at 19th July, 2017.

Schedule of Board Meetings
The Board of Directors met four times during the financial year 2016/2017. The meetings took place on the following dates:

- 21st April, 2016
- 21st July, 2016
- 13th October, 2016
- 26th January, 2017

Share Capital and Shareholdings

Authorised share capital:
The authorized share capital of the Company is ₦200,000,000 made up of 400,000,000 ordinary shares of 50 kobo each.

Issued and fully paid share capital:
The issued and paid-up share capital of the Company currently is ₦123,046,875 made up of 246,093,750 ordinary shares of 50 kobo each.

The share capital history of the Company is stated on Notes 36 and 36.1

Beneficial ownership

The issued and paid–up share capital of the Company as at March 31, 2017 and July 19, 2017 when the financial statements were approved for issue by the Board, were beneficially held as follows:

	Number of Ordinary Shares Held July 19 2017	Percentage Holdings as at July 19 2017	Number of Ordinary Shares Held March, 31 2017	Percentage Holding as at March, 31 2017
Ibile Holdings Limited	45,666,917	18.56	45,666,917	18.56
International Building Investment A.G.	63,374,232	25.75	63,374,232	25.75
Construction and Engineering A.G .	79,090,045	32.14	79,090,045	32.14
. Ecobank Transnational Incorporated	24,609,375	10.00	24,609,375	10.00
Nigerians and Associations	33,353,181	13.55	33,353,181	13.55
	246,093,750	**100.00**	**246,093,750**	**100.00**

Share Range Analysis:

Share Range	Num of shareholders	% of shareholders	Number of Units Held	Percentage Shareholdings
1 - 500	577	21.14	177,143	0.07
501 - 1000	685	25.10	752,448	0.31
1001 - 5000	989	36.24	3,233,953	1.31
5001 - 10000	230	8.43	2,314,260	0.94
10001 – 25000	149	5.46	2,922,211	1.19
25001 - 100000	66	2.42	4,066,998	1.65
100001 - 500000	24	0.88	7,354,568	2.99
500001 - 1,000000	3	0.11	2,687,851	1.09
1,000001 - and above	6	0.22	222,584,320	90.45
Total	**2,729**	**100**	**246,093,750**	**100**
	========	=========	==========	========

Acquisition of own shares:
Section 160 – 164 of the Companies and Allied Matters Act Cap C.20 LFN 2004 laid out the processes and conditions under which a company may acquire its own shares. We report that the Company did not acquire any of its own shares in the period.

Property plant and equipment
Movements in items of property, plant and equipment during the year are shown in Notes 22 to 22.1 on page 68. The Company invested additional sum of N685.725 million in capital assets in the period. All impairments in property plant and equipment have been recognized. In the opinion of the Directors, the respective recoverable amounts of the Company's properties are not lower than the carrying amounts shown in the financial statements.

Donations
The Company was alive to its corporate social responsibility (CSR) during the year. Donations to charitable organizations during the year amounted to ₦6,700,000.00 (2016 – ₦1,350,000). The details are:

	₦
Special Persons Association of Nigeria	100,000.00
SOS Children's Village	250.000.00
Wesley School for the Learing Impaired	100,000.00
Auguatine University Fund Raising	200,000.00
Holy Cross Cathedral Medical Clinic	100,000.00
Daniel Ogechi Memorial Foundation	500,000.00
International Women's Society	150,000.00
The Latter Rain Assembly	5,000,000.00
The Bricon Foundation	300,000.00
	6,700,000.00
	=========

In accordance with Section 38(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004 no donation was made to any political party, political association or for any political purpose in the course of the year under review.

Suppliers
The Company's significant overseas and local suppliers are:

Overseas: Alumetal International S.A
Edilnol Srl

Local: Lafarge Cement PLC

Edilcentre Nig. Ltd.
Italian Marble & Granites Limited
Prime Alpha Petroleum Ltd.
Federated Steel Mills Ltd
Dangote Cement Plc
Motor Parts Industries Ltd

The Company is not associated with the local or overseas suppliers and obtains all its materials at arm's length.

Employment and employees:

Employment of disabled persons
Due to the nature of the Company's operations which involve the use of high speed machinery, the areas where disabled persons can be safely employed are limited. However, it is the Company's policy that there should be no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers.

Health, safety and welfare
The Company maintains a well-equipped clinic, which is being run by a qualified medical doctor. The medical facility is visited by a qualified medical practitioner for oversight checks. In addition, the Company has retainer agreements with adequate number of private hospitals run by qualified medical doctors, to whom serious cases of illness are referred for treatment and/or admission. Hygienic and well maintained canteen facilities are available for all staff.

Employees' involvement and training
The Company attaches great importance to training and in particular, due to the nature of its activities, a number of staff are trained on the job. All categories of staff attend courses or seminars as considered necessary by the Company's management.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonuses, promotions, wages reviews, etc. Employee relations were stable and cordial in the year under review.

Audit Committee
The members of the Statutory Audit Committee, appointed at the Annual General Meeting held on October 13, 2016, in accordance with Section 359(3) of CAMA were:

- Chief T.A. Adesiyan
- Mrs. A. Shoewu
- Cav. E. Calvino
- Mr. L.U. Ikenyi

The Committee met in accordance with the provisions of Section 359 of CAMA and will present its report.

Effectiveness of Internal Control System
The Company employs reasonable and appropriate accounting policies in the preparation of its financial statements that ensure that a sound system of internal control is maintained to safeguard its assets and shareholders' wealth. As the Company operates in a dynamic environment, it continuously monitors its internal controls system to ensure its continued effectiveness. In doing this, the Company employs both high level and preventive controls which ensures maximum opportunity for prevention of misleading or inaccurate financial statement, properly safeguard its assets and facilitates the achievement of corporate goals, while complying with relevant laws and regulations.

Events after the Reporting Period
The regulatory reporting and disclosures relating to events after the reporting period is stated in Note 55.

Code of Conduct

The Company's operations are governed by a code of conduct which comprises the core values that are held as a bond with all stakeholders. The Company maintains the highest level of integrity and principles, and subscribe to the highest standard of ethical conduct, which is overall governed by faith in God.

Auditors

The Auditors, Messrs. ***Goldwyns*** (Chartered Accountants), have indicated their willingness to continue in office as auditors to the Company. A resolution will be proposed authorizing the Directors to determine their remuneration.

LAGOS NIGERIA
19th July, 2017

BY ORDER OF THE BOARD
A.O. Abiru (Mrs)
FRC/2013/ICSAN/00000003280

Marina Nominees Limited
Company Secretaries

Corporate Governance Report

Cappa and D'Alberto Plc. has embraced the tenets of good corporate governance which are reflected in its practices, processes, structure and relations wih external parties.

The Board of Directors

The Board of Directors of the Company is composed of professionals in the core activities of the group in order to ensure that the required knowledge base is available at all times within the group to sustain its operations, formulate good policies for competitive advantages and innovation.This competence and professionalism is complemented by regular training programs for directors in all spheres of management, engineering and building systems innovations and technology.

The group maintains separate roles for the Chairman and the Managing Director for effectiveness and to ensure that there are adequate controls within the company.

The Board comprise a non-executive Chairman, an executive Managing Director/Chief Executive Officer, four other executive Directors and four non-executive Directors whose responsibility it is to ensure the proper running of the Company in a regulation compliant environment.

The roles and responsibilities of the Board include but are not limited to the following:

- Setting overall group objectives and policies aimed at maximizing shareholders values
- Approval of strategic plans and financial statements
- Approval of appropriations and distribution of profits
- Designing and maintenance of internal controls
- Determination and implementation of matters reserved for the general Board

The Board meets regularly and as often as the need arises but not less than four times per year. The Board met four times during the year on the following dates with majority of the Directors and the Company Secretaries in attendance:

(1) 21st April, 2016 (2) 21st July, 2016 (3) 13th October, 2016 (4) 26th January, 2017

The details of attendance of Directors at board meetings are as follows:

Directors	**21/04/2016**	**21/07/2016**	**13/10/2016**	**26/01/2017**
Franco Gianotti	Present	Present	Present	Present
Giovanni Mello Grand	Present	Present	Present	Present
Cav. Enrico Calvino	Present	Present	Present	Present
Comm. Giulio G. Gianotti	Repres'd	Repres'd	Repres'd	Repres'd
Bruno G. Cappa	Present	Present	Present	Present
Rasheed A. Gbadamosi (OFR)	Absent	Present	Present	Deceased
Gian P. Salgarella	Present	Present	Present	Present
Engr. (Chief) Abayomi Kiyomi	Present	Present	Present	Present
Levi U. Ikenyi	Present	Present	Present	Present
Chief Ademola R. Seriki	Present	Present	Absent	Present
Engr Adetokunbo Coker	Present	Present	Present	Present

(Repres'd = Represented)

The Board of Directors of the Company also discharges some of its functions through a number of committees who report regularly to the Board. These committees are:

Audit Committee

The audit committee is made up of two representatives of the shareholders and two executive Directors. The committee carries out its function in accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act (CAP 20) Laws of the Federation of Nigeria and the Securities and Exchange Commission's Code of Corporate Governance. The Committee met four times during the year under consideration on 19th July, 2016, 3rd August, 2016, 3rd February 2017 and on 23rd March 2017 in furtherance of their duties with all the elected members and the representative of the Company's Secretaries in attendance

Details of attendance at Audit Committee Meetings are as follows:

		19/07/2016	03/08/2016	03/02/2017	23/03/2007
Timothy A. Adesiyan	- Member	Present	Present	Present	Present
Cav. Enrico Calvino	- Director	Present	Present	Present	Present
A. Shoewu (Mrs.)	- Member	Present	Present	Present	Present
Levi U. Ikenyi	- Director	Present	Present	Absent	Present

Management Committee

The Management Committee comprise the following members

1. Franco Gianotti - Chairman
2. Giovanni Mello Grand - Managing Director
3. Cav. Enrico Calvino - Executive Director - Finance
4. Bruno G. Cappa - Executive Director
5. Gian P. Salgarella - Executive Director
6. Levi U. Ikenyi - Executive Director

Roles and Responsibilities

1. Development of the broad objectives of the Group into actionable plans
2. Interpretations and implementation of the broad policies of the Group as laid down by the Board of Directors
3. Development of strategies for the execution of the actionable plans of the group for the attainment of the overall objectives of the group
4. Staff administration
5. Operations management

Contracts Management Committee

The Contracts Management Committee comprised the following members

1. Giovanni Mello Grand - Managing Director
2. Cav. Enrico Calvino - Executive Director - Finance
3. Bruno G. Cappa - Executive Director
4. Gian P. Salgarella - Executive Director

Roles and Responsibilities

1. Development of overall plans and strategies for execution of contracts
2. Research and development of new building technologies and techniques and implementation of these and other tested industry developed technologies within the Group for competitive advantages
3. Contracts progress review and co-ordination

4. Rendition of technical advice on new tenders/bids
5. Formulation of overall safety and welfare policies in contract execution
6. Development of contracts 'Conflict Resolution' policies, strategies and their administration
7. Formulation and implementation of policies for overall staff capacity development, re-training and re-tooling

Finance Committee

The Finance Committee comprise the following members:

1. Franco Gianotti - Chairman
2. Giovanni Mello Grand - Managing Director
3. Comm. Giulio G. Gianotti - Executive Director
4. Cav. Enrico Calvino - Executive Director - Finance
5. Bruno G. Cappa - Executive Director

Roles and Responsibilities

1. Periodic review of the overall finances and liquidity of the group to assess working capital adequacy and making recommendations to the Board of Directors

2. Formulation and implementation of investment policies within the group

3. Evaluation of financing options for the operations of the group and making necessary recommendations to the Board on the preferred options within the context of value to the group

4. Development of the dividend policy of the Group

5. Review of all major transactions and contracts offering risks that may need to be evaluated against potential rewards and making appropriate recommendations to the Board of Directors

The following committees are embedded within the Finance Committee and their functions and recommendations and included in the finance committee reports to the full board. These are:

1. Risk Management Committee
2. Management IT Risk Management Committee

The terms of reference of these committees are developed and issued to these committees by the Finance Committee.

Responsibility of Directors for Annual Financial Statements

The Companies and Allied Matters Act 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 Group:

i. Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act 1990.
ii. Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud, errors and other irregularities; and
iii. Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that 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 (IFRSs)
- Companies and Allied Matters Act CAP C.20 LFN 2004.
- Regulatory guidelines issued by the Financial Reporting Council of Nigeria
- Investments and Securities Act 2007

The directors are of the opinion that the financial statements give true and fair view of the state of the financial affairs of the Group and of the profits and cash flows for the year. 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 control.

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

Attestation

The directors assert that all the assets and liabilities of the Group have been reliably measured and stated within the discrete identifiable elements in the financial statements.

Ademola R. Seriki
Director

Levi U. Ikenyi
Executive Director
FRC/2013/IODN/00000004604

Company Secretary's Certification

Messrs Marina Nominees Limited acted as the Company Secretary to Cappa and D'Alberto Plc for the financial year ended 31st March 2017 and subsequent thereto.

In accordance with the provisions of section 298(1) (b) and (c) of the Companies and Allied Matters Act of Nigeria CAP C20 LFN 2004 as amended, I Adetoun Abiru on behalf of Marina Nominees Limited certify and assert as follows:

1. Annual returns - The annual returns of the Company have been filed with the Corporate Affairs Commission in accordance with the provisions of Sections 374 and 375 of the Companies and Allied matters Act Cap C.20 LFN 2004. All such returns have been lodged within the requisite timeframes specified in the Act and that the returns are true, correct, devoid of any misrepresentations and up to date in all material particular.

2. Register of members - The register of members of the Company is maintained in the manner specified in Section 83-91 of the Companies and Allied matters Act Cap C.20 LFN 2004 and kept at the address of the Registrars to the company (Section 84(b).). This register was made available for inspection in the year and this register was not closed for a period of more than 30days in the year (Section 89).

3. Minutes of proceedings - In accordance with Sections 241 and 242 of the Companies and Allied matters Act, Cap C.20 LFN 2004 the minutes of proceedings of the company at general meetings and minutes of proceedings at meetings of the directors including register of attendance at directors' meetings are maintained and kept at the registered address of the Company. These minutes were made available for inspection by members without charge.

4. Directorship – Other than the changes relating to Section 259 of the Companies and Allied matters Act- 1990 the changes in the composition of the Board of Directors is stated in the Directors report and lodged with the Corporate Affairs Commission.

5. Dividends - The directors are obligated to comply with Rule 137 of the Securities and Exchange Commission in the administration of dividends declared and approved at the annual general meetings. The schedule of unclaimed dividends and the interest accrued on its dedicated account in the period have been presented in the annual report as an annexure.

Marina Nominees Limited, as Company Secretaries, have not exercised without authority any powers vested in the directors of the Company.

Adetoun Abiru
Marina Nominees Limited
Company Secretaries
FRC/2013/ICSAN/00000003280
19th July, 2017

Independent Auditor's Report

To the shareholders of
Cappa and D'Alberto Plc.

Report on the Audit of the Group Financial Statements

Opinion

We have audited the group financial statements of Cappa and D'Alberto Plc for the reporting period ended 31st March 2017, which comprised the consolidated and separate statements of financial position as at March 31, 2017, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year ended and notes to the consolidated and separate financial statements including a summary of significant accounting policies adopted by the Directors of the Group in the preparation of the financial statements for the period.

In our opinion, the accompanying financial statements present fairly, the group financial position of Cappa and D'Alberto Plc as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies and Allied Matters Act Cap. C20 LFN 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a credible basis for our opinion.

Material Uncertainty Related to Going Concern

We have evaluated all matters and risks that could cast doubts on the ability of Cappa and D'Alberto Plc to continue to operate as a going concern. We have concluded that these matters and risks do not constitute significant risks to the ability of the Company to continue to operate as a going concern. We received legal representations from the Legal Advisers to the Company in respect of certain litigations in which the Company is involved in and we have relied on theses representations in part in coming to our conclusions on the risks associated therewith.

Key Audit Matters

In accordance with International Standards on Auditing 701, key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current reporting period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impact of foreign exchange gain on profit reported – Included in the cash and cash equivalents of the group are various sums held in the domiciliary bank accounts of the Company which were translated at the end of the reporting period using the closing rate method as specified in IAS 21. This translation resulted in a gain of N2.8 Billion representing 60% of the total profit before tax reported in the period. This profit is unrealized and the financial results of the group for the period should be interpreted in the light of this fact. The item is reported in note 12. The translation gain reported for the period has been independently verified by Goldwyns in the audit process and we relied on the independent confirmation of domiciliary account and other bank account balances received in confidence from the Bankers to the Group. The management response to this matter is documented in note 70.1

2. Companies Income Tax (Rates…e.tc, of Tax Deducted at Source (Withholding Tax) Amendment Regulations 2016 – The referenced federal government gazette reversed the Companies Income Tax (Rates…e.tc, of Tax Deducted at Source (Withholding Tax) Amendment Regulations 2015 by restating withholding tax in the construction industry to 5%, up from 2.5%. The direct effect of this is the accelerated accumulation of withholding tax credit notes as an asset in the financial statements of the group. An asset that the company can only use to defray company income tax. This asset cannot be sold nor assigned to other external parties. The additional effect of this government regulation is a direct reduction in the cash available to the Company in executing construction contracts. At the end of the reporting period this asset constitute 9.6% of the net assets of the group. The movements on this asset is stated in note 37. The management position in respect of this item in the financial statement is stated in note 70.2

3. Foreign Exchange Access at the Interbank Foreign Exchange Market – The Central Bank of Nigeria barred some items from accessing the interbank foreign exchange market. Most of the items required for the construction activities of the company are included in this list. The effect of this is that the Company would need to source the foreign exchange for the importation of these items from autonomous sources at rates that are unfavorable with direct impact on the profitability of the contracts. As long as this policy is sustained by the Central Bank of Nigeria margin on contracts will diminish. The management of this aspect of the operation of the Company and response to this as a key audit matter is documented in note 70.3

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with international financial reporting standards and the Companies and Allied Matters Act Cap C.20 LFN 2004 and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercised professional judgement and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control

- Evaluate the appropriateness of accounting policies adopted by the Management in the preparation of the financial statements and reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exist related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant audit deficiencies in internal control that we identified during our audit.

We also provide those charged with governance with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We report to you based on our audit and the requirements of the Companies and allied matters Act Cap C.2o LFN 2004 that:

1. Compliance with the Companies and Allied Matters Act 1990 – the company complied with the provisions of this Act in preparing the financial statements for the period

2. Compliance with Securities and Exchange Commission - For the purposes of S.44 (3) of the Financial Reporting Council of Nigeria Act 2011, the corporate governance policies and procedures adopted by the company and the corporate governance report enclosed with the financial statements are satisfactorily compliant with the requirements of the corporate governance code issued by the Securities and Exchange Commission (SEC).

3. Compliance with Financial Reporting Council Act 2011 – the Company complied with the requirements of this Act and filed all returns with the Financial Reporting Council as well as paid all dues.

4. Compliance with Money Laundering (Prohibition) Act 2004 – there were no reportable irregularities in the terms of the Money Laundering (prohibition) 2004 as far as it appears from our examination of the financial records of the Group.

Anthony A. Molade (FCA)
FRC/2013/ICAN/00000003138

For and on Behalf of:
Goldwyns (Chartered Accountants)
Plot 9, Gabriel Olusanya Street
Off QMB Builders' Mart Road
Lekki Phase 1
Lagos – Nigeria.
19th July 2017

Certification of Financial Statements
Chief Executive Officer & Chief Finance Officer

We the undersigned, acted in the above captioned capacities in the Company for the financial year ended 31st March 2017. This certification is issued pursuant to the provisions of S.60 of the Investments and Securities Act 2007 and the Financial Reporting Council of Nigeria Act 2011.

Responsibilities on Financial Statements and Internal Controls

Our responsibilities on the financial statements, internal controls and internal control policies and procedures include the following:

- Establishment and maintenance of internal control policies and procedures for the company and that:
  - (i) The internal controls have been so designed to ensure that material information about the group are adequately furnished to us as principal officers by others within the group for the year ended.
  - (ii) The effectiveness of the group's internal controls have been continually evaluated during the year and especially in the immediate periods to the Group's financial year end.
- Ensuring that proper accounting records are kept and maintained by the group
- Ensuring that the financial statements comply in all material respects with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004.
- Ensuring that suitable accounting policies are adopted deriving from regulatory Statements of Accounting Standards (IFRSs), and that these are applied consistently.

Financial Statements Attestation

We attest to the following:

- That we have reviewed the financial statements of the Group for the year ended 31st March 2017 and that to our knowledge the financial statements do not contain any un-true statement of a material fact.
- That the financial statements did not omit or state a material fact which would make the financial statements misleading in the light of the circumstances under which the financial statements were prepared.
- That based on our knowledge of the financials and state of affairs of the group for the year ended 31st March 2017, the financial statements and other financial information included in the report fairly represent in all material respects the financial condition and results of operations of the group as at 31st March 2017.
- That all significant deficiencies in the design and operation of the group's internal controls have been properly disclosed and discussed with the Auditors to the Group and the impact of these (if any) have been so depicted in the financial statements.

Nothing has come to our knowledge to suggest that these financial statements contain errors or misstatements that will materially distort the true and fair view of these financial statements for the year.

Giovanni Mello Grand	Cav.Enrico Calvino
Managing Director	Director of Finance
FRC/2013/IODN/00000004603	FRC/2013/IODN/00000004601

19th July 2017.

Statement of Directors' Responsibilities

This statement is issued by the Board of Directors on the financial statements of the Group for the year ended 31st March 2017.

The directors are responsible for the preparation of the Financial Statements, that give a true and fair view of the state of affairs of the Company and its subsidiaries at the end of each financial year and of the profit or loss for that year and comply with the Companies and Allied Matters Act, Cap C20 LFN 2004 (CAMA). In doing so, they ensure that:

- Adequate control procedures are instituted which, as far as is reasonably possible to safeguard the assets and prevent and detect fraud, errors and other irregularities;
- Ethical standards are maintained and that the Company complies with the laws of Nigeria and the Code of Corporate Governance;
- The terms of reference and procedures of all board committees are determined;
- Proper accounting records are maintained;
- Applicable accounting standards are adhered to;
- Suitable accounting policies are adopted and consistently applied based on International Financial Reporting Standards
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is adopted, unless it is inappropriate to presume that the Company will continue in business.

The directors accept responsibility for these financial statements, which have been prepared in compliance with:

- The provisions of the Companies and Allied Matters Act, Cap C20 LFN 2004
- The provisions of the Financial Reporting Council of Nigeria, Act No. 6, of 2011.
- The published and applicable International Financial Reporting Standards.

The focus of risk management within the company is on identifying, assessing, managing and monitoring all known forms of risks across the Company and other group entities. While risks cannot be totally eliminated, the directors and management continually endeavor to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviors are applied and managed within predetermined constraints and procedures to effectively manage risks and prevent loss of assets.

The directors have made an assessment of the Company's ability to continue on a going concern basis based on the supporting assumptions stated in the financial statements, the resources available to the company to finance its operations, the economic climate of its immediate operating environment and have every reason to hold that the Company will remain a going concern into the foreseeable future or at least one year from the date of this statement.

Signed on behalf of the Board of Directors by:

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Abayomi Kiyomi	Ademola R. Seriki
Director	Director

19th July 2017.

Report of the Audit Committee

To the Shareholders of:

Cappa and D' Alberto Plc.

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004, we have reviewed the Report of the Independent Auditors on the financial statements of the Group for the year ended 31st March 2017 and confirm as follows:

1. The accounting and reporting policies of the Group conformed with statutory requirements and agreed ethical practices

2. The systems of internal controls instituted within operations and management are adequate and effectively monitored

3. The scope and planning of the audit for the year ended 31st March 2017, were adequate in our opinion

4. The independent auditors' management report received satisfactory response from the Management.

Timothy A. Adesiyan
Chairman – Audit Committee
FRC/2013/IODN/00000003745

13th July, 2017.

Members of the Audit Committee

Timothy A. Adesiyan
Cav. Enrico Calvino
A. Shoewu (Mrs.)
Levi U. Ikenyi

Consolidated Statement of Profit or Loss & Other Comprehensive Income

	Notes	Group 2017 N' 000	*Restated* Group 2016 N' 000	Company 2017 N' 000	*Restated* Company 2016 N' 000
Revenues	1	22,478,694	24,806,724	22,459,519	24,788,641
Cost of sales	2	19,796,205	22,267,376	19,796,510	22,267,276
Gross profits		2,682,489	2,539,348	2,663,009	2,521,364
Operating expenses	3	1,918,146	2,162,808	1,906,020	2,147,589
		764,343	376,540	756,989	373,775
Share of results of joint ventures/associates	4	-	-	-	-
		764,343	376,540	756,989	373,775
Other incomes and expenses					
Rental income	5	282,058	242,126	282,208	242,646
Profits/(loss) on sale of non financial assets	6	7,041	5,800	7,041	5,800
Profits/(loss) on sale of associate	7	37,495	-	17,366	-
Profits/(loss) on sale of debenture	8	203,942	-	203,942	-
Investment income	9	1,008	867	791	689
Interest income	10	850,756	737,508	847,397	734,778
Interest expense	11	(26,447)	(33,881)	(26,447)	(33,880)
Exchange differences & other income	12	2,837,430	150,726	2,837,430	150,726
Bad debts	13	(4,665)	-	(4,665)	-
Other Impairment charges & fair value loss/gains	14	(250,000)	(150,000)	(250,000)	(150,000)
Comprehensive income before taxation		4,702,961	1,329,687	4,672,052	1,324,534
Income tax expense	15	1,364,554	358,736	1,360,740	356,128
Operating profits for the year after taxation		3,338,407	970,951	3,311,312	968,406
Attributable to:					
Equity holders (owners of the parent)		3,338,407	970,951	3,311,312	968,406
Non-controlling interests		-	-	-	-
		3,338,407	970,951	3,311,312	968,406
Operating profits for the year		3,338,407	970,951	3,311,312	968,406
Basic earnings per share (in Naira)		13.57	3.95	13.46	3.94
Other Comprehensive Income	16				
Profits for the year		3,338,407	970,951	3,311,312	968,406
Translation differences/currency reserve gains/(losses)	16.1	-	(482)	-	(482)
Fair value gains/losses on AFS financial instruments	16.4-5	946	(8,895)	294	(4,950)
Revaluation gains/losses on property plant and equipment		70,530	-	70,530	
Revaluation gains/losses on cashflow hedges		-	-	-	-
Tax relating to components of other comprehensive income	16.6	4,061	-	4,061	-
Total other comprehensive income for the year		67,415	(9,377)	66,764	(5,431)
Total comprehensive income for the year		3,405,822	961,574	3,378,076	962,974
Attributable to:					
Equity holders (owners of the parent)		3,405,822	961,574	3,378,076	962,974
Non-controlling interests		-	-	-	-
Total comprehensive Income for the year		**3,405,822**	**961,574**	**3,378,076**	**962,974**

Statement of Financial Position

	Notes	Group 2017 N' 000	*Restated* Group 2016 N' 000	Company 2017 N' 000	*Restated* Company 2016 N' 000
Assets					
Current Assets					
Inventory	17	3,083,581	2,275,095	3,083,580	2,275,095
Trade receivables	18	4,518,527	4,549,722	4,506,829	4,537,066
Other receivables, assets and prepayments	19	1,128,260	1,408,514	1,126,247	1,406,628
Balances due from related parties	20	16,706	5,487	16,706	5,487
Cash and bank balances	21	19,157,892	18,566,723	19,094,380	18,516,143
Total current assets		27,904,966	26,805,542	27,827,742	26,740,420
Non-Current Assets					
Property, plant and equipment	22	1,891,955	1,673,943	1,888,409	1,666,378
Investment property	23	14,217	14,217	13,007	13,007
Intangible assets	24	544	1,064	544	1,064
Investments in associates	25	-	-	-	20,129
Investments in subsidiaries	26	-	-	586	586
Financial instruments-equities	27	7,938	6,993	5,551	5,256
Financial instruments-debt securities	28	-	247,775	-	247,775
Total Assets		29,819,620	28,749,534	29,735,839	28,694,616
Liabilities					
Current Liabilities					
Trade payables	29	16,608,440	19,350,829	16,595,066	19,335,557
Other payables	30	26,035	159,639	20,508	148,775
Dividend payable	31	46,095	37,761	46,095	37,761
Balances due to related parties	32	1,301	263	1,301	263
Bank overdrafts	33	194,230	121,494	194,230	121,494
Taxation	34	636,327	611,753	632,071	609,773
Total Current Liabilities		17,512,427	20,281,740	17,489,271	20,253,624
Non-Current Liabilites					
Deferred taxation	35	1,101,025	354,043	1,098,965	351,542
Total Liabilities		18,613,452	20,635,783	18,588,238	20,605,166
Equity and Equity Reserves					
Authorized Share Capital	36	200,000	200,000	200,000	200,000
Issued and paid-up share capital	36.1	123,047	123,047	123,047	123,047
General Reserves		240,972	240,972	239,235	239,235
Other equity reserves		69,585	(4,346)	46,980	(19,784)
Retained earnings		10,772,564	7,754,079	10,738,340	7,746,950
Total equity shareholders' funds		11,206,168	8,113,751	11,147,601	8,089,448
Total Non - Controlling Interests		-	-	-	-
Total Equity		11,206,168	8,113,751	11,147,601	8,089,448
Total Equity and Liabilities		29,819,620	28,749,534	29,735,839	28,694,616
Working capital net assets		10,392,538	6,523,802	10,338,470	6,486,796

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Giovanni Mello Grand
Managing Director
FRC/2013/IODN/00000004603

Enrico Calvino
Ex. Director Finance
FRC/2013/IODN/00000004601

Consolidated Statement of Changes in Equity

	Ordinary Share Capital	Currency Reserves	AFS Reserves	General Reserves	Loan Equity Reserves	Revaluation Reserves	Retained Earnings	Total Equity Owners of Parent	Total Equity Non Controlling Interests	Total Equity
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
	000	000	000	000	000	000	000	000	000	000
Opening Balance 1st April 2016	123,047	2,417	(2,817)	240,972	(3,947)	-	7,754,079	8,113,751	-	8,113,750
Capital:										
Nominal	-	-	-	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-	-	-	-
Share Based Payments	-	-	-	-	-	-	-	-	-	-
Debt Equity Swaps	-	-	-	-	-	-	-	-	-	-
								-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Revaluation Reserves	-	-	-	-	-	70,530	-	70,530	-	70,530
Dividends	-	-	-	-	-	-	-	-	-	-
Fair Value Gains	-	6,516	946	-	-	-	-	7,462	-	7,462
Currency Reserves	-	-	-	-	-	-	-	-	-	-
Deferred Tax on OCI components			(88)			(3,973)		(4,061)		(4,061)
Transfer From Statement	-	-	-	-	-	-	-	-	-	-
of Comprehensive Income	-	-	-	-	-	-	3,338,407	3,338,407	-	3,338,407
								-		-
Dividends						-	(319,922)	(319,922)		(319,922)
Back Duty Charges	-	-	-	-	-	-	-	-	-	-
Provision no longer required	-	-	-					-	-	-
Balance 31st March 2017	123,047	8,933	(1,960)	240,972	(3,947)	66,558	10,772,564	11,206,168	-	11,206,167

Restated

	Ordinary Share Capital	Currency Reserves	AFS Reserves	General Reserves	Equity Reserves	Revaluation Reserves	Retained Earnings	Total Equity Owners of Parent	Total Equity Non Controlling Interests	Total Equity
	=N=	=N=	=N=	=N=	=N=		=N=	=N=	=N=	=N=
	000	000	000	000	000		000	000	000	000
Opening Balance 1st April 2015	98,438	2,906	2,133	241,073	(101)		7,063,675	7,408,124		7,408,124
								-		
Capital:								-		
Nominal	-	-	-	-	-		-	-	-	-
Share Premium	-	-	-	-	-		-	-	-	-
Bonus	24,609	-	-	-	-		(24,609)	-	-	-
Share Based Payments	-	-	-	-	-		-	-	-	-
Debt Equity Swaps	-	-	-	-	-		-	-	-	-
								-		
Transfers	-	-	-	(101)	101		-	-	-	-
Revaluation Reserves	-	-		-	(3,947)		-	(3,947)	-	(3,947)
Dividends	-	-	-	-	-		-	-	-	-
Fair Value Gains/Financial Instruments	-	-	(4,950)	-	-		-	(4,950)	-	(4,950)
Currency Reserves	-	(482)	-	-	-			(482)	-	(482)
Tax on Component of Equity	-	-	-	-	-		-	-	-	-
Transfer From Statement	-	-	-	-	-		970,951	970,951	-	970,951
of Comprehensive Income	-	-	-	-	-			-	-	-
	-	-	-	-	-		-	-	-	-
Reclassified provisions	-	-	-	-	-		-	-	-	-
Back Duty Charges	-	-	-	-	-		-	-	-	-
Dividends	-	-	-	-	-		(255,938)	(255,938)	-	(255,938)
Balance 31st March 2016	123,047	2,417	(2,817)	240,972	(3,947)		7,754,079	8,113,758	-	8,113,758

Statement of Changes in Equity - Company

	Notes	Ordinary Share Capital	Currency Reserves	AFS Reserves	General Reserves	Revaluation Reserves	Retained Earnings	Total Equity
		=N=	=N=	=N=	=N=	=N=	=N=	=N=
		000	000	000	000	000	000	000
Opening Balance 1st April 2016		123,047	(17,713)	(2,071)	239,235	-	7,746,950	8,089,448
Capital:								
Nominal		-	-	-	-	-	-	-
Share Premium		-	-	-	-	-	-	-
Bonus issue		-	-	-	-	-	-	-
Share Based Payments		-	-	-	-	-	-	-
Debt Equity Swaps		-	-	-	-	-	-	-
Transfers		-			-	-		-
Revaluation Reserves						70,530		70,530
Tax on other comprehensive incomes		-		(88)		(3,973)		(4,061)
Fair Value Gains		-		294				294
Currency Reserves		-	-					-
Deferred Tax on OCI components								
Transfer From Statement of Comprehensive Income		-	-	-	-	-	3,311,312	3,311,312
Prior Year Adjustments								
Back Duty Charges		-	-	-	-	-	-	-
Dividends		-	-	-	-	-	(319,922)	(319,922)
Balance 31st March 2017		123,047	(17,713)	(1,865)	239,235	66,558	10,738,340	11,147,602

	Ordinary Share Capital	Currency Reserves	AFS Reserves	General Reserves	Equity Reserves	Retained Earnings	***Restated*** Total Equity
	=N=	=N=	=N=	=N=	=N=	=N=	=N=
	000	000	000	000	000	000	000
Opening Balance 1st April 2015	98,438	(17,231)	2,879	239,336	(101)	7,059,091	7,382,412
Capital:							
Nominal	-	-	-	-	-	-	-
Share Premium	-	-	-	-	-	-	-
Bonus Issue	24,609	-	-	-	-	(24,609)	-
Share Based Payments	-	-	-	-	-	-	-
Debt Equity Swaps	-	-	-	-	-	-	-
				(101)	101		
Transfers	-	-	-	-	-	-	-
Revaluation Reserves			-	-	-		-
Dividends - interim	-	-	-	-	-	-	-
Fair Value Gains on financial instruments			(4,950)	-	-		(4,950)
Currency Reserves	-	(482)		-	-	-	(482)
Tax on components of equity		-	-	-	-		-
Transfer From Statement of Comprehensive Income	-	-	-	-	-	968,406	968,406
Back Duty Charges	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(255,938)	(255,938)
Balance 31st March 2016	123,047	(17,713)	(2,071)	239,235	-	7,746,950	8,089,448

Statement of Cashflows

	Notes	Group	*Restated* Group	Company	*Restated* Company
		2017	2016	2017	2016
		N' 000	N' 000	N' 000	N' 000
Cashflows from operating activities					
Cash receipts from customers		21,673,612	24,732,118	21,651,034	24,716,094
Cash paid to suppliers for goods and services		20,075,386	20,409,828	20,064,126	20,398,537
		1,598,226	4,322,290	1,586,908	4,317,557
Income tax paid		(596,892)	(491,928)	(595,080)	(489,950)
Value added tax paid		(291,190)	(362,137)	(291,040)	(362,037)
Net cash provided/utilized by operating activities		710,145	3,468,226	700,788	3,465,570
			-		
			-		
Cashflows from investing activities			-		
			-		
Investment incomes		1,008	867	791	689
Property plant and equipment acquired		(1,176,490)	(564,077)	(1,176,490)	(564,077)
Intangible assets acquired		-	(97)	-	(97)
Interest received		850,756	737,508	847,397	734,778
Proceeds from sale of non financial assets		7,319	5,800	7,319	5,800
Proceeds from sale of debenture		440,342	-	440,342	-
Proceeds from disposal of associate		37,495	-	37,495	-
			-		
Net Cash provided/utilized in investing activities		160,430	180,001	156,854	177,093
			-		
			-		
Cashflows form financing activities			-		
Severance benefits paid		-	(98,794)	-	(98,794)
Interest paid		(26,447)	(33,880)	(26,447)	(33,880)
Dividend paid		(325,695)	(268,360)	(325,695)	(268,360)
			-		
Net cash provided/utilized in financing activities		(352,142)	(401,034)	(352,142)	(401,034)
Net increase/(decrease) in cash and cash equivalents		518,434	3,247,193	505,501	3,241,629
Cash and cash equivalents 1st April		18,445,229	15,198,036	18,394,649	15,153,020
Cash and cash equivalents 31st March		18,963,663	18,445,229	18,900,150	18,394,649

Statement of Transfer Pricing Policy

Cappa and D'Alberto Plc is a public company operating in the building and construction segment of the Nigerian economy. The company was founded in 1932.

The company has two wholly owned subsidiaries namely:
1. Stone Road Properties Limited
2. Igbobi Development Company Limited

These two subsidiaries operate as real estate and property owing and management companies.

Cappa and D'Alberto Plc has interest in other entities and such other related parties falling within the purview of the definition of related parties by the Companies and Allied Matters Act – 1990 and International Accounting Standards 24 as published by the International Accounting Standards Board (IASB).

The following are the identified related parties of Cappa and D'Alberto Plc for the purposes of this transfer pricing policy statement:
1. Stone Road Properties Limited
2. Igbobi Development Company Limited
3. Clay Industry (Nigeria) Limited
4. Construction and Engineering Investment A.G.
5. International Building Investment A.G

Basis of Transfer Pricing
Transfer pricing between these companies identified as related to Cappa and D'Alberto Plc and between the separately identified companies shall be similar to those which would be agreed upon between independent parties. That is to say the group shall as much as practicable, unless a better method will result in better equitable presentation of the transaction the **''Comparable Un-controlled Price Method''** (CUP) shall be employed by all the companies is the group (comparable uncontrolled method being one of the acceptable methods under OECD transfer pricing framework). Any deviation from this method in any circumstance is to be pre-arranged, approved and appropriate Regulatory Authority including the Federal Inland Revenue Services notified on such changes in policy relating to the identified transactions.

The basis used to establish pricing shall be reviewed regularly and documented and this documentation shall be retained for as many years as the relevant transactions are subject to review by fiscal or trade authorities.

Objective
The group's transfer pricing policy objective is that prices set for the transfer of goods, services, loan and other intangibles between the constituent companies are consistent with the group's long term goals and with the tax and trade legislations in the country and other regional countries where some of the identified companies are domiciled.

Responsibility
Every company identified as related parties above to Cappa and D'Alberto Plc being a party to a transaction with another related party in the group (whether or not the financial statements are consolidated herein) is responsible for compliance with this policy.

Business Model
Cappa and D'Alberto Plc is a building and civil Engineering Contractor and obtains input for its construction activities form Clay Industry Nigeria Limited while also rendering real estate services for its direct subsidiaries. The company also offers its services to these companies in their respective real estate operations as it relate to new construction and maintenance services.

These activities enable the company to participate efficiently in certain key areas and other factors contributing to its value chain.

Identified Transactions between the group and Transfer Pricing Technique.

Transaction	Comparable Un-Controlled Pricing Technique
Construction Contracts	Local competitive bidding
Services	Negotiated pricing structure
Rent and Leases	Fair value of rent payable at location at the inception of the lease contract
Goods	Current selling prices adjusted where applicable for approved rebates on volume purchases

Legal Framework
In order to document the allocation of roles and responsibilities between the constituent companies in the group and as part of the document of the transfer pricing system the following intercompany agreements are concluded for the types of transactions identified below:

1. Constructions contracts
   This follows through the execution of the competitive bidding process. A formal contract of award is executed between the two or more companies involved in the contract and this subsists till contract completion and defect liability period.

2. Lease
   A formal lease agreement is executed between the transacting companies covering the lease period and documents obligations and other responsibilities under the lease including exit options.

3. Goods
   Sourcing agreements are executed where the relevant materials are expected to be expertly sourced with quality guarantees as well as assurances for uninterrupted supplies. Goods obtainable on a continuous basis as otherwise available to the public are procured in the normal course of business at market price evidenced by an "invoice".

Certification
This policy statement complies in all material respects with the transfer pricing policy document of Cappa and D'Alberto Plc as approved by its Board of Directors.

Group entities

The financial statements presented herewith are the consolidated financial statements and separate financial statements of Cappa and D'Alberto Plc and those of its wholly owned subsidiaries, Igbobi Development Company Limited and Stone Road Properties Limited. During the reporting period the Company spinned off its holding in its foreign associate KLAFGo6 Limited based in West Africa – Ghana. The financial statements of that foreign associate was consolidated with those of other group entities in the comparative financial statements presented in this annual report and accounts but so excluded in the reporting period.

Statement of compliance

The financial statements have been prepared in accordance with subsisting and applicable International Financial Reporting Standards IFRSs and in the manner required by the Companies and Allied Matters Act Cap c.20 LFN 2004, the Financial Reporting Council of Nigeria Act – 2011and applicable industry guidelines to the extent that these do not conflict with the requirements of International Financial Reporting Standards (IFRSs) except as specifically required in the guidelines and rules issued from time to time by the Financial Reporting Council of Nigeria.

The Group changed its accounting policy relating to property plant and equipment from the "diminishing method" to the "straight line method" in the reporting period and in accordance with the provisions of IAS 8 on change of accounting policy the Group applied the new policy retrospectively (retrospective application) and restated the consolidated and separate financial statements for the reporting period ended 31st March 2016.

Significant accounting policies

The following are the summary of the principal accounting policies adopted by the Group in the preparation of the Group Financial Statements for the financial year ended 31st March 2017.

Bases of Preparation of Financial Statements

The Financial Statements have been prepared under the following bases:

1 Historical cost.
The original monetary value of an economic item as modified where necessary by the revaluations and fair value measurements of certain assets and liabilities as prescribed by the regulating standard of that item in the financial statements.

2 Going concern.
The financial statements have been prepared on the basis that the company is a "going concern". This assumes that the company and group, as an entity, is able to realize its assets and settle its financial obligations in the ordinary course of business and has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

3 Presentation currency
The presentation currency adopted in the preparation of these financial statements is the Nigerian "Naira". In certain disclosures some balances have been stated in foreign currencies but translated into Naira.

4. Functional currency
The functional currency, representing the currency of the immediate economic environment in which the company operates is the Nigerian Naira.

5. Accrual accounting
The Financial Statements of the company have been prepared on accrual basis of accounting except for cash flow information

Accounting year

Each accounting year of the company and all other companies in the group is a period of twelve consecutive months commencing from 1st April of each year to 31st March of the following year.

Consolidation

Consolidated financial statements are the financial statements of the parent company and those of its subsidiaries in the group as though all the companies in the group are a single economic entity. A group therefore refers to a parent (Holding Company) and all those other companies associated with it and on which it has "control". Control within the provisions of International Financial Reporting Standard 10 is held to subsist where all the following conditions are met:

- The parent's power over the investee - power over the investee can be depicted by the parent having existing rights that give it the current ability to direct the relevant activities of the investee company that significantly affect the investee's returns. This could derive from holding the requisite voting rights in the investee company or from contractual arrangements or control over the significant assets of the investee company.

- The parent is exposed to or has rights to variable returns from its investment in the investee company. This is manifested where the parent's returns from its involvement with the investee has the potential to vary as a result of the investee's performance.

- The parent has the ability to use this power over the investee company to affect the amount of its returns in the investee

Investment entity

In circumstances where Cappa and D'Alberto Plc. gains/has control over an entity and such holdings in the entity is established to derive from investment entity relationship, such entity is excluded from consolidation. An investment entity relationship derives where the company:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services

- Commits to these investors that its business purpose is to invest these funds solely for returns from capital appreciation, investment income or both

- Measures and evaluates the performance of substantially all its investments on fair value basis

Loss of control

Where the company loses control in any subsidiary, the company

- Derecognizes the assets and liabilities in that subsidiary from the consolidated statement of financial position
- Recognizes (if any) any residual interest in the subsidiary in accordance with relevant IFRSs
- Recognizes the loss or gain associated with the loss of control.

These consolidated financial statements have been prepared using the **acquisition method.**

Non-Controlling Interests – identified Non-controlling interests within the group are calculated and stated within equity as the aggregate of:

- The amount of the non-controlling interests at the date of original combination
- The amount of the non-controlling interests (share) in the changes in equity since the date of the combination

Goodwill

Any goodwill arising on consolidation is recognized in the group financial statements as a separate class of asset. For this purpose goodwill is recognized as the excess of consideration transferred (measured at fair value) over the net of the acquisition date amounts of identifiable assets acquired and the liabilities assumed (measured at fair value)

Bargain Purchase

Where the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (measured at fair value) exceed the consideration transferred (measured at fair value); this resulting "gain" is recognized in Comprehensive Income on the acquisition date.

Unrealized Profits and Losses

All unrealized losses and profits on intercompany business transactions between the companies within the group at the consolidation date are eliminated from the group statement of profit or loss and other comprehensive income.

Intercompany Balances

All intercompany balances due to or from the respective companies within the group to or from each other are eliminated from the Group Statement of Financial position.

Ultimate Holding Company

The ultimate holding company in the group is Cappa and D' Alberto Plc. which holds 100% of the voting rights in the share capital of Igbobi Development Company Limited; 100% of the voting rights in the share capital of Stone Road Properties Limited. These consolidated financial statements deals with the financial statements of Cappa and D'Alberto Plc. and these subsidiaries. Investment interests in other entities have been dealt with in accordance with the provisions for such in IAS 27 and IFRS 12 on disclosure of interests in other entities.

Assets

An asset is a resource controlled by the company as a result of past events and from which the company hopes to derive future economic benefits. Within the statement of Financial Position, these assets have been classified into Current Assets, Non-Current Assets and Assets Held for Sale (where applicable).

Liability

A liability is a present obligation of the company arising from past events, the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. Within the Statement of Financial Position, this has been classified into Current Liabilities and Non-current Liabilities.

Equity

Equity is the **"residual**" interest in the assets of the company after deducting all liabilities. Non-Controlling interest is accounted for within equity.

Revenue

This represents the gross inflow of economic benefits, to the Company from third parties during the reporting period and those inflows resulting in an increase in the equity amount of the company other than increases relating to further contributions from equity participants or owners.

Inflows of economic benefits to the Company result from the following during the period:

1. Building construction contracts and jobbings
2. Property rental income
3. Facility management services revenues
4. Investment income from quoted and un-quoted entities
5. Interest income

Building Construction Contracts and Jobbings

Building construction and allied civil works for clients is the main activity of the company. Where the outcome of a contract/project can be reliably estimated, the contract revenue is recognized using the "percentage of completion method**"** i.e. the percentage of contract completion at the end of the reporting period.

The outcome of a contract will be reliably measured when the following conditions are satisfied:

a. The total contract revenue can be reliably measured
b. It is probable that economic benefits associated with the contract will flow to the Company
c. 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
d. Contract costs directly attributable to each contract can be clearly identified and measured reliably to provide a basis for the comparison of actual contract costs with prior estimates.

Measurement Method
The stage of completion of contracts shall be measured by professional surveys of work performed evidenced by client's appointed architect's certificates.

Contract Revenue at Early Contract Stage

During this period, the reliability of any contract outcome estimate is usually doubtful. The Company only recognized revenue to the extent of the costs incurred that are expected to be recovered, most often directly from advance payments received on these contracts.

Losses on "onerous" contracts are recognized in profit or loss irrespective of the stage of completion or whether work has commenced on the contract or not.

Work in Progress Valuation

Where the company has incurred contract costs relating to future contract activity, such costs are classified as Work in Progress as an asset provided that it is probable that the costs will be recovered. Uncertified contract works, measured at cost are also classified in work in progress. Such measurements are done by professional valuations.

Contract Variation, Recognition Rules

A variation relates to a change in the scope of works in a contract, as instructed by the client. This may result in either an increase or a decrease in specific contract revenue depending on the nature of the change in scope of works.

A variation resulting in an increase in contract scope of works and by implication an increase in contract revenue is recognized when:

i. It is probable that the client will approve the variation and the attendant sum of revenue arising from the variation.
ii. The amount of the revenue can be reliably measured

Contract Claims, Recognition Rules

A contract claim is an amount that the Company has incurred specifically on a contract, such amount not being initially included in the original contract price due to:

i. Delays in contract execution caused by a client nominated sub-contractor
ii. Delays in contract execution caused directly by the client
iii. Changes in project specification, design or materials specification etc.

Such claims are only to be included in contract revenue when:

i. Negotiations relating to the claims have been substantially agreed by all parties to the contract
ii. It is probable that the client will approve/accept the claim
iii. The amount of the claim can be reliably measured at the end of the reporting period

Retentions
Retentions are recognized in profit or loss when they are certified and become collectable/receivable.

Contract Incentives, Recognition Rules

Incentive schemes incorporated into contracts usually relate to additional amounts paid to a contractor if specified performance standards are met or exceeded.

The company includes such incentive payments in contract revenues of qualifying contracts when the following conditions are satisfied:

i. The contract works are sufficiently relevant to give a credible confidence level that the specified performance standard will be met or exceeded.
ii. The sum of the incentive can be reliably measured

In all circumstances, contract revenues is only recognized by the Company when the outcome of a specific contract can be reliably estimated and the works executed have been certified by a client nominated professional.

Contracts Advance Payments

Contract revenue recognition is not influenced by any prerequisite advance payments received by the Company on contracts.

Property Rental Income

Rental income is derived from its investment properties rented out to third parties and evidenced by formal contractual rent agreements drawn up between the Company and the tenants and also detailing the rights and obligations of either party. By general application these rent agreements cover between one to two years contracted period of occupancy with a proviso for renewal at the option of the tenant which must be indicated six months before the expiration of the initial contracted period. The tenant is expected to pay up-front the entire amount due as rent for each contracted period (initial and subsequent).

Rent Revenue Recognition Rule
All rental payments received in advance as a result of this contract obligation on the part of the tenant are deferred and amortized to the statement of comprehensive income or profit or loss account on a straight-line-basis over the contracted period. All un-amortized rental payments received in advance are included in the statement of financial position as liabilities at the end of the reporting period.

Facility Management Services

The company renders maintenance services on specialized buildings and other properties on preventive maintenance basis and programs (on its own properties and third party properties and facilities). Income deriving from this service is categorized into two viz:

- Annual maintenance contract income – this represents the annual contracted management fee which is recognized based on invoices or amortized (where payment has been received in advance) to the Comprehensive income at the end of each month
- Supplies – supplies to the respective properties under maintenance contracts with the company are made on "Charge Back Basis". Invoices for the supplies are raised for all supplies cumulatively on monthly basis and recognized in Comprehensive Income. (Charge back means "actual cost incurred plus contracted markup).

Investment Income (Dividends)

The Company recognizes dividends from an investee Company only when the Company's rights to receive payments have been established, usually when the shareholders of this investee Company has approved the dividends proposed by the Directors at a General Meeting.

Interest on Bank Term Deposits

Interest on term deposits with financial institutions are recognized using the "Effective Interest Rate Method" which states the basis for calculating the **"Amortized Cost"** of the financial asset and the allocation of the interest derived over the relevant period. The amortized cost is the cost at which the specific financial assets are measured at initial recognition.

Inventories

Inventories within the context of the operations of the company are those assets in the form of materials or supplies to be consumed in the ordinary course of executing civil contract works and other operations. Inventories within the Company have the following classifications:

- Building materials – having several other categories
- Spare parts and other accessories
- Tools – small tools, moulds, formworks, scaffolds …etc. excluded from property plant and equipment
- Staff uniforms and safety wears
- Fuel and oils

Cost Composition
The costs of inventories consist of original purchase price, cost of conversion and all such other costs incurred by the company in bringing the items of inventories to their present location and condition.

In this context, these costs will include the following:

- Purchase Price
- Import Duties
- Other Taxes – (excluding those subsequently recoverable)
- Transportation cost
- Handling charges
- Other related costs that can be directly attributable to the acquisition of the inventories.

The costs of items of inventory exclude recoverable taxes from the relevant tax authorities (Input Value Added Tax); trade discount and rebates.

Cost of Conversion

All conversion activities are carried out on project sites and all such costs are therefore included in the contract costs except as may be reflected in the value of Work-in-progress measured at each periodic end. The items of inventory are carried at cost as described under cost above except as may be impacted by valuation at net realizable value.

Costing Model

The company employs the "weighted average cost formula" in costing items of inventory. This formula is applied to all categories of inventory other than in cases of segregated items that are specific to the individually identified projects, such items not being interchangeable.

Periodic Valuation of Inventories

The company states the carrying value of items of inventory at the **lower** of cost and Net-realizable value in the Statement of Financial Position. The excess of the carrying amount of specific items of inventory over their respective net realizable values at period ends is collectively recognized in profit or loss. The measurement of net realizable value is expected to take into consideration any loss that may arise as a result of damage to stock items, obsolescence which could make the carrying cost of items of inventory un-recoverable through use or sale. The company determines the Net – realizable value of items of inventory on the basis of line by line only.

Recognition as Expenses

- The carrying amount of items of inventories consumed in operations is recognized as expense in the period in which the related revenue is recognized.
- The company recognize as expenses the amount of any write – downs to Net-Realizable Value in the profit or loss in the period in which the 'write –down" was made or in the period of loss.
- Items of spares and accessories used up in the operations or contracts activity; maintenance services and other operations of the company are recognized in profit or loss in the period they are consumed.

Any reversal of write down of inventory items arising from increase in net – realizable value is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs and not as an income.

Changes in Accounting Estimates and Prior Period Errors

In compiling the financial statements for the period, the directors have made certain judgements, estimates and assumptions that might have impacted the application of policies and reported amounts of assets and liabilities, incomes and expenses. These estimates, judgements and assumptions are based on empirical facts, historical experience as an operating entity, future expectations and various other factors that are believed to be reasonable and prudent under the circumstances. Actual results may differ ultimately. Further specific information are provided in the notes to the financial statements under each carrying amounts of assets and liabilities, income and expenses to guide users of financial statements in interpreting that item in the financial statements and the financial statements collectively.

Estimates and underlying assumptions of continuing relevance are reviewed on an on-going basis. All revisions to estimates are dealt with in the period in which the estimates are revised or in the manner specified by IAS 8 or IAS 10, as may be applicable.

Recognition and treatment of changes in estimates

Assets, Liabilities and Equity: where a change in estimate gives rise to changes in assets, liabilities or an item of equity, this change is recognized by the company by adjusting the carrying amount of the related asset, liability or equity in the period of change.

Other Changes in Estimates:
Changes in estimates are recognized "prospectively" by including in the profit or loss in:

- The period of change , if the change affects the period only
- The period of change and future period if the change in estimate affects both

Prior Period Errors
These are omissions from and misstatements in the company's financial statements for one or more prior periods arising from a failure to use or misuse of reliable information that was available when the financial statements for those periods were authorized for issue and those reliable information could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors could relate to mathematical mistakes, mistakes in applying accounting policies, oversights and fraud.

Recognition rules and correction of errors

- The company corrects prior period errors by retrospective restatement for the prior periods presented in which the error occurred.
- If the error occurred before the prior period presented, the error is corrected by re-stating the opening balances of assets, liabilities and equity for the <u>earliest prior period presented.</u>

- Where it is impracticable to determine the period specific effects or the cumulative effect of the error the company restates the **"opening balances"** of assets, liabilities, and equity for the earliest period for which retrospective restatement is practicable.

The correction of a prior period error is excluded from profit or loss for the period in which the error is "discovered".

Provisions; Contingent Liabilities and Contingent Assets

Provisions

Provisions represent liabilities whose timing of crystallization is uncertain and the amount involved is also uncertain (i.e. liabilities of uncertain timing and amount).

The liabilities encompassed in this definition relate to a present obligation arising from past events, the settlement of which is expected to result in the outflow of resources embodying economic benefits. The obligating event within this context may be either "legal or constructive**"**

Recognition and Measurement of Provisions

The company recognizes provisions where there exists a present obligation arising from past event coupled with the existence of conclusive evidence that the company has no realistic alternative to settling the obligation created by the past event. Where no present obligation exists at the end of the reporting period, the company does not recognize any provisions in the financial statements. The provisions made in the financial statements is the best reliable estimate of the expenditure required to settle the present obligation at the end of the reporting period. In assessing the estimate to be made for provisions, the company considers the following:

a. Risk and uncertainties associated with the transaction
b. Future impacting events
c. Discount the provisions where the effect of the time value of money is material.

Measurement Impracticability

Where the company cannot measure with reliability the estimate for the settlement for the liability, the provision is not recognized in the financial statements instead it is disclosed as a contingent liability.

Absence of Resource Requirements - where no future economic resource is required to settle the liability, the provision shall not be recognized in the financial statements**.**

Periodic Review of provisions Amounts - the company reviews at the end of each reporting period the provisions made so as to reflect "Current Best Estimate" and adjustments made accordingly in the financial statements

Application of Provisions Funds - provisions made by the company is only applied for expenditures for which the provisions were originally made.

Specific Provisions Clauses:
Expected Losses – the company does not recognize future or expected future losses

Onerous Contracts- the present obligation of the company under an 'Onerous Contact' is recognized and measured as a provision.

Provisions on Restructuring Programs

Provision shall be made by the company when the Management has provided a detailed formal plan and this plan has been approved by the Directors at a "Board Meeting" and effectively communicated to the affected divisions and staff of the company.

Contingent Liabilities

This relates to possible obligations of the company that arises from past events but whose existence can only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company

Measurement of Contingent Liabilities

The company shall quantify as much as practicable the liability that may result in contingent liabilities having regard to the reliable information at the end of reporting period.

Recognition of Contingent Liabilities

The company shall not recognize contingent liabilities in the financial statements. The quantified amount of contingent liabilities at the end of the reporting period shall be disclosed in the notes to the financial statements

Contingent Assets

This relates to a possible asset that arises from the past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Measurement of Contingent Asset

The company shall quantify as much as practicable the asset that may result from contingent assets having regard to the reliable information available at the end of the reporting period.

Recognition of Contingent Assets
The company shall not recognize contingent assets in the financial statements. The quantified amount of contingent assets at the end of the reporting period shall be disclosed in the notes to the financial statements

Borrowing Costs

The Company may take advantage of the implicit lower cost of finance by employing a mix of both capital and borrowing to finance its operations. The Company may borrow for any or all of the following:

1. Borrowings that is directly attributable to the acquisition, construction or production of a qualifying asset.
2. Borrowings that may be required to finance the operations of the Company in general.

Recognition and Measurement of Borrowing Costs

The company applies the following rules in the recognition and measurement of borrowing costs:

1. Capitalization of Borrowing Costs: The Company capitalizes all borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset.

2. Expense off "Borrowing Costs" in Profit or Loss: All other borrowings that may not be attributable to the acquisition of an asset but general in nature are expensed through Profit or Loss as incurred.

Identification of Specific Borrowing costs: The characteristic of specific borrowing cost that may be capitalized may be identified in the light of those borrowing costs that could have been avoided if the underlying asset had not been acquired. *In order words "avoided"*.

Capitalized borrowing costs is adjusted for any investment income derived from the *temporary investment* of the borrowings instead of treating the related specific investment income as a separate investment income or inclusion in global investment income.

Commencement, Suspension and
Cessation of Capitalization of Borrowing Costs

Commencement: The Company commences the capitalization of borrowing costs when it starts incurring expenditure on the asset or incurs borrowing costs.

Suspension: The Company suspends capitalization of borrowing costs during extended periods in which it suspends development of the underlying asset and write-off interest incurred during this period in profit or loss.

Cessation: The Company **ceases** capitalization of borrowing costs when all activities necessary to prepare this asset for its intended use or sale are complete.

Subsequent interests or borrowing costs incurred after this period of substantial completion is dealt with in the profit or loss

Foreign Exchange, Foreign Exchange Transactions and Rates &
Effects of Changes in Foreign Exchange Rates

The company's functional currency representing the currency of the immediate economic environment in which the company operates is the Nigerian Naira (=N=) and the financial statements are being presented using this currency. However certain aspects of the operations of the company involves sales, purchases, services (invisible trade), taxes and levies and allied assets and liabilities that are primarily conducted in foreign currency which means that they are "denominated in foreign currency or require settlement in foreign currency" and must therefore be translated in the financial statements and records into the company's functional currency. Such transactions may relate but not limited to the following:

a. Sales and purchases of goods and services whose price is denominated in foreign currency
b. Borrowing or dealings denominated in foreign currency
c. Disposals or acquisition of assets denominated in foreign currency
d. Settlement of liabilities or liabilities incurred in foreign currency"
e. Investments, deposits and balances held in foreign currency

Initial Recognition and Measurement

Foreign exchange transactions are recognized initially, in the financial records of the company by applying to the foreign currency amount the "<u>spot exchange rate</u>" between the functional currency and the foreign currency at the date of the transaction. *For this purpose the <u>spot exchange rate</u> is the exchange rate obtainable for the immediate delivery of foreign currency* and <u>foreign currency</u> is a currency other than the company's functional currency.

Measurement at end of reporting periods

In view of the fact that currencies' exchange rates in the international markets are dynamic, it is probable that the exchange rate ruling at the date of initial recognition of transactions will be different from that rate obtainable subsequently at the end of the company's reporting period. These differences will necessitate/require the re-measurement of account balances thus:

a) Monetary Items: - translated using the closing rate of exchange.
b) Non- monetary Items: - Items measured in terms of "Historical Costs" in a foreign currency shall be translated using the exchange rate at the date of the original transaction.
c) Non- Monetary Items (measured at fair value) shall be translated using the exchange rates at the date when the fair values were determined.

For this purpose, <u>Monetary Items</u> represents all items, assets or liabilities, receivable or payable in fixed or determinable number of units of currency while the <u>Closing Exchange Rate</u> is the "spot-exchange" rate at the end of the reporting period.

Exchange Difference

The re-measurement of these account balances held in foreign currencies at the end of the reporting period will result in an exchange difference which is the difference resulting from the translation of a given number of units of one currency into another currency at different exchange rate other than that at which it was originally recognized or previously re-measured under this policy.

Exchange Difference Recognition

Monetary Items
Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on "initial recognition" during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

Settlement of monetary items – gain or loss to be recognized in profit or loss.

Translation of monetary items – gain or loss to be recognized in profit or loss. The periodic gain or loss should be with reference to that reporting period exchange rate using i.e. the closing rate method until the asset is recovered or liability settled.

Non-monetary items measured in terms of historical cost – The translation of an item of non-monetary nature measured in terms of historical costs is to be made at the "historical exchange rate" when that asset was initially recognized.

Non-Monetary Items Measured at Fair Value
Non-monetary items measured at fair value is translated at the exchange rate when such fair value was measured. This requirement creates a scenario of dual exchange rates in a single item, accordingly 'when a gain or loss on a non-monetary item is partly recognized in other comprehensive income any exchange component of that gain or loss is also recognized in other comprehensive income and conversely when a gain or loss on a non-monetary item is partly recognized in profit or loss on any resulting exchange component is recognized in profit or loss.

Exchange differences arising on monetary items that forms part of the Company's "Net investment" in a foreign entity/operation is recognized in Profit or loss in the separate financial statements of the company.

Foreign Operation
Is a subsidiary, associate or branch of the Company whose activities are conducted in a country or currency other than that of the company. The incorporation of the results of a foreign operation, subsidiary or joint venture of the Company follows normal consolidation procedures. The functional currency of the foreign operations shall be established and stated using the procedures disclosed in "Measurement at End of Reporting Periods" above where both have the same functional currency. Otherwise the following rules will apply:

Presentation Currency – Group Financial Statements

It is probable that the functional currency of the foreign operations of the Company may not be the same as that of the parent company in Nigeria. It may therefore be necessary to translate the results of the foreign operations using these procedures:

a. Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate of that Statement of Financial Position
b. Income and expenses for each Statement of Comprehensive Income are translated at exchange rates as of the dates of the transaction
c. All resulting exchange differences shall be recognized in Other Comprehensive income

d. Exchange differences arising on monetary items that forms part of the Company's "Net investment" in a foreign entity/operation for the purpose of the Consolidated Financial Statements is recognized first in Other Comprehensive Income and subsequently reclassified from equity to Profit or loss on disposal of the foreign operation.

For this purpose "Net Investment" may include a monetary item that is repayable or receivable to a foreign operation the settlement of which is neither planned nor likely to occur in the foreseeable future.

It is probable that the underlying value of a non-monetary asset may change resulting in a gain or loss. Where such gains or loss are recognized in Other Comprehensive Income the "exchange component" of that change in value is also recognized in Other Comprehensive Income. Where however the gain was recognized in Profit or Loss the exchange component is also recognized in Profit or Loss.

Tax effects on translations and exchange differences

Gains and Losses on foreign currency transactions and exchange differences arising on translating the results and financial positions of a Company or foreign operations may affect or have tax implications. Where this applies the company applies full local laws relating to taxes while deferred tax effects deriving from the variation between the translated carrying amounts of items and their respective "tax bases" are adjusted for as required by International Accounting Standard 12.

Non Co- Terminus Accounts Reporting Period of a Foreign Operation
The company applies the following rules:

i. The foreign operation is required to prepare additional financial statements as of the reporting date of the Company in Nigeria. Where this is impracticable;
ii. The gap between the two reporting periods must not be more than three months, while adjustments are made for significant transactions.
iii. The assets and liabilities of the foreign operations are translated at the exchange rate at the end of the reporting period of the "FOREIGN OPERATION".

Leases

A lease is a contract between the Lessor (owner of an asset) and a Lessee (user) where the lessor contractually conveys to the lessee the right to use an asset in return for a payment or series of payments for an agreed period of time.

There are basically two types of leases identifiable:

1. Finance Lease: - Is a lease contract that substantially transfers all the risks and rewards of ownership to the lessee.
2. Operating Lease: - This is a lease contract that is not a finance lease and wherein the risks and rewards of ownership of the asset are not transferred to the lessee. The Lessor essentially retains ownership and the asset could be used by several lessees in the course of its useful life.

Company Specific Circumstances

The Company is not engaged in the business of acquiring assets that are intended to be given out on "finance lease contracts". The Company may only take out finance lease contracts for strategic assets from financial institutions for its operations, which will make the company a lessee under a finance lease. All freehold properties held by the company have been dealt with outside the provisions of leases in the regulating standard (IAS 17 or IFRS 16).

Finance Lease- Recognition and Measurement

1. The Company recognizes assets acquired under a finance lease at the present value of the minimum lease payments at inception of the lease.
2. The liabilities due to the lessor are correspondingly recognized as determined under (1) above
3. The Company employs the "implicit interest rate" in the lease contract as the discount factor
4. Initial costs – all initial costs incurred are added and recognized as part of the cost of the asset.
5. Periodic minimum lease payments are subsequently apportioned between the finance charge and the reduction in outstanding liability
6. All **"contingent rents"** shall be charged as expenses in the periods when they are incurred

7. The Company applies the applicable depreciation rate and depreciation method to the class of the fixed assets the leased asset belongs as obtainable and its accounting policy for property plant and equipment
8. Depreciation – assets acquired under finance lease contracts are included under Property, Plant and Equipment and the company's depreciation policy for the class of the asset acquired are applied in their depreciation.
9. In exceptional circumstances to (7) above, if there is no certainty the ownership of the asset will be transferred to the Company, the asset is fully depreciated over "the shorter of its useful life and lease term."

Operating Lease (Recognition and Measurement)

Operating Lease (Company as Lessee)
All lease payments under an operating lease are recognized as an expense on a "straight line basis" over the lease term. These are basically recognized as rent and are expensed as incurred.

Events after the Reporting Period

The financial statements of the company is prepared on the presumption that the Company shall continue to operate as a "going concern". However significant events after the reporting period provide guidance to the Company on the applicability of the principles of going concern in the preparation of its financial statements or whether other basis of accounting would be more appropriate (e.g. liquidation accounting basis deriving from deterioration of its financial conditions or management plans to curtail significantly its scale of operations). In this case a fundamental change to the basis of preparation of the financial statements is required rather than making adjustments to the amounts recognized in the financial statements.

Events after the reporting period are therefore those that relate to those events, favorable and unfavorable that occurred between the end of the reporting period and the date when the financial statements of the Company are authorized for issue.

For the purpose of those, the Company identifies and classifies such events as:

1. Adjusting Events - Relating to those events that provide evidence of conditions that existed at the end of the reporting period.
2. Non - Adjusting Events - Relating to those events that are indicative of conditions that arose after the end of the reporting period.

The Company applies the following rules to these cases:

a. Adjust the financial statements to reflect and recognize events occurring after the end of the reporting period that are deemed "adjusting events".
b. Not adjust the financial statements to reflect or recognize events occurring after the end of the reporting period that are deemed as "non-adjusting events".

Dividends declared for holders of equity by the Directors of the company after the reporting period shall not constitute an adjusting event and shall not be recognized or stated as a liability at the end of the reporting period by the Company. This fact is stated as a note in the financial statements.

Statement of Cash flows

The company prepares a statement of cash flows as part of the financial statements to be included in its annual report and accounts. The Company presents Separate statement of cash flows for the Company and Consolidated statement of cash flows incorporating that of the Company, its subsidiaries.

Presentation Method
The Company adopts the **"Direct method**" format in preparing the statement of cash flows to be incorporated with other financial statements.

These comprise:

a. Cash flows from Operating Activities – deriving from the principal revenue producing activities of the company and other activities of the company and other activities that are not otherwise delineated as investing or financing activities.

b. Cash flows from Investing Activities - deriving from the acquisition and disposal of long term assets and other investments not included in cash and cash equivalents.
c. Cash flows from Financing Activities - that results in changes in size and composition of the contributed equity and borrowings of the Company.

The resulting cash and cash equivalents at the end of each reporting period are deemed to represent cash on hand and in bank accounts and such other short term highly liquid investments that are readily convertible to "known" amounts of cash and which are subject to an insignificant risk of change in value after conversion.

Foreign Currency Cash flows

The Company records cash flows arising from foreign currency at the Company's "functional currency" by applying to the foreign currency amount the exchange rate between the foreign currency and the functional currency at the date of the cash flow (using rates advised/gleaned from the Nigerian interbank market daily cross rates).

The cash flows of a foreign subsidiary are translated at the exchange rate between the functional currency and the foreign currency at the date of the cash flows using rates advised/gleaned from the Nigerian interbank market daily cross rates.

Cash flows from Interest and Dividends

Reported within the statement of cash-flows under Financing Activities, these are disclosed separately in the statement of cash-flows on separate lines (incorporating different lines for receipts and payments).

Cash flows from Taxation

The Company reports taxation deriving from the following in "Operating Activities" but they shall be so delineated separately:

- Company Income Taxes
- Value Added Tax

Non Cash Transactions

All transactions of the Company that do not require the use of cash or cash equivalents are excluded from the statements of cash flows.

Property, Plant and Equipment

Items classified as property, plant and equipment relate to the capitalized cost of tangible items of assets:

i. Held for use in the daily administration of services and operations, not being equipment and other assets consumed in routine operations and charged directly to "cost of sales"
ii. Held for Rental purposes and
iii. Held for other related administrative purposes

These items of equipment, plant and property are ordinarily expected to be used during more than one reporting period

Classifications of Items of Property, Plant and equipment

The Company maintains the following classes of property, plant and equipment:

1. Leasehold land
2. Freehold land
3. Building properties (on leasehold land)

4. Building properties (on freehold land)
5. Workshop/Office properties – on leasehold land
6. Workshop/Office properties – on freehold land
7. Plants and machinery
8. Furniture and fittings
9. Office equipment
10. Computer equipment
11. Tools and Allied equipment
12. Motor vehicles - commercial
13. Motor Vehicles – Office cars and others

De-Componentization Policy – property plant and equipment are not de-componentized for reporting purposes.

Composition of Cost of Property, Plant and Equipment

The following costs are included in items classified under property, plant and equipment except where they do not separately apply to each specific item:

1. The purchase price including import duties and other non-refundable purchase taxes after adjusting for discounts and other rebates.

2. All identifiable costs that can be directly attributable to bringing the asset to its present location and condition.

3. The estimate of the cost of dismantling and removing the item of fixed asset along with cost of site restoration, the obligation of which was incurred when the asset was acquired and installed.

Measurement Bases for Property, plant and equipment

Items classified as property, plant and equipment are measured in the financial records and financial statements of the Company at their respective costs, while taking into consideration the various elements of costs stated above.

Where an item of asset is acquired but payment for its acquisition is deferred for a prolonged period of time with the consequence that interest charges accrued for the deferred period of payment, the accrued interest incurred is not included in the cost of the asset unless the interest accrued meets the recognition criteria for capitalized finance costs under "borrowing costs" standard and the company opted to apply the provisions of IAS 23.

Where an asset is acquired other than by cash but by an exchange for non-monetary assets or a combination of monetary and non-monetary asset, such asset acquired are measured and recognized at **fair value.**

Where this is impracticable because the exchange transaction lacks "commercial substance", the Company measures the acquired asset at the "carrying amount of the asset(s) given up".

Cost Model Accounting for Property, Plant and Equipment - for this purpose the company adopts the "cost model" in accounting for items of property, plant and equipment.

An item of property, plant and equipment initially measured at cost under the basis stated above may be revalued and therefore caused to be treated under the revaluation basis. Where this applies all the items of property, plant and equipment in that class of asset are revalued accordingly.

Depreciation

The Company depreciates on a systematic basis all items of property, plant and equipment. Therefore the Company depreciates all assets and the depreciable amount of each asset is allocated on a systematic basis over its useful life to profit or loss.

Depreciation calculations and allocations of depreciable amounts shall commence only when the asset is available for use**.** That is when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management of the Company.

Periodic Review of Estimated Useful Life of Asset

The Company carries out periodic reviews of estimates of useful lives of assets to establish that initial estimates have not been impacted by obsolescence; damages and unexpected wear and tear due to usage. Where any of these apply with the implication of impacting negatively the initial estimates of consumption, the Company makes immediate recognition of the loss in that period's profit or loss.

Depreciation Method **-** The Company employs the "straight line method" in the calculation of depreciation (the company changed the policy of depreciation from residual method to straight line method in the 2016/2017 reporting period and the requirements of a change in accounting policy as provided in IAS 8 have been so applied. The following assets identified below have not been depreciated in accordance with the straight line method of depreciation.

Leasehold Building Properties **–** the Company depreciates this over the period of the lease.

1. Leased Assets - All assets on lease (Finance Lease) are depreciated over the lease contracted period where the probability of ownership transfer is slim **OR** over the useful life of the asset if this is shorter than the contracted lease period.
2. Land – This is not depreciated by the company

Impairments of Property, Plant and Equipment

Impairment is recognized in the financial statements when the carrying amount of an asset exceeds its recoverable amount. For this purpose the company is guided by the following rules/definitions:

1. Carrying Amount: - The amount at which an asset is stated in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses
2. Recoverable amount: - Is the higher of the fair value of the asset (less cost to sell) and its "value in use".
3. Value in use: - Is the present value of the amount realizable from continuing use of an asset and that realizable on its ultimate disposal.
4. Fair value: - Is the amount for which an asset would be sold or exchanged between knowledgeable willing parties in an arm's length transaction.

The Company carries out impairment tests on its assets at the end of each reporting period and all identified impairments are charged in the profit or loss of that period.

Compensation for Impairments

The Company includes in the profit or loss all compensations from third parties for items of assets impaired, lost or given up, when such compensation becomes receivable. All such compensations are treated as separate economic events by the Company and not allowable in determining the gains or loss deriving from the asset's deposal.

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De-Recognition of Assets

The Company de-recognizes from its financial records and financial statements an item of property, plant and equipment in the event of the following events:

1. Disposal of asset by the Company (i.e. Sale etc.)
2. When no future economic benefits are expected from its use

The Company deals with the gain or loss arising from the disposal of an asset in the profit or loss account.

Gain or Loss on De-Recognition

This gain or loss is determined by the difference between the amount realized on the disposal of an asset and the residual value (i.e. Net Book Value).

Depreciation Rates applied to property, plant and equipment:

1.	Freehold land	0%
2.	Building properties (on freehold property)	5%
3.	Workshop/Office properties – Freehold property	10%
4.	Plants and machinery	15%
5.	Furniture and fittings	10%
6.	Office equipment	10%
7.	Computer equipment	33 1/3%
8.	Tools and Allied equipment	15%
9.	Motor vehicles – commercial	33 1/3%
10.	Motor Vehicles – Office cars and others	25%

Leased Properties

1.	Leasehold land	- Over the lease period
2.	Building properties (on leasehold land)	- Over the lease period
3.	Workshop/Office properties – leasehold land	- Over the lease period

Intangible Assets

An intangible asset is an *identifiable and separable non-monetary asset* held by the Company but having no physical substance on which the Company has control and from which future economic benefits are expected to flow to the Company. An item in the financial statements is classified as an intangible asset if it is capable of being separated or divided from the Company and can be sold, transferred, licensed, rented or exchanged either individually or together with a related contract or has arisen from contractual or other legal rights.

The company has only the following class of intangible assets with the following sub-categorizations recognized in the financial statements:

1. Computer software (other than those sold and specifically incorporated into equipment and other assets without which the equipment or asset cannot operate. Implying that the software forms an integral part of the equipment and therefore accounted for under property, plant and equipment.

2. Business application software

3. Engineering software

Initial measurement of Intangible Assets and subsequent expenditure

1. The Company measures all identified intangible assets initially "at cost".
2. All subsequent expenditure incurred on previously recognized items of intangible assets are not added to the carrying amount of intangible asset but recognized in profit or loss as incurred.
3. The cost of an intangible asset recognized in the financial statements comprise its purchase price, import duties and other associated costs of bringing the asset to its intended use.
4. Where payment for the intangible asset is deferred beyond normal credit terms the cost of the intangible asset is held to be the "cash-price" equivalent. The difference between this amount and the total payment ultimately made

is recognized as "interest expense" over this period of the credit, unless this meets the capitalization criteria and the company opted to capitalize the interest in accordance with International Accounting Standard 23 (Borrowing Costs).

Useful life of Intangible Asset

The identified intangible assets of the Company may either have finite useful lives or indefinite useful lives. An asset is deemed to have an indefinite useful life if the asset is expected to generate cash inflows to the company for an indefinite period while on the other hand an intangible asset is deemed to have a definite useful life if the timeframe that it can generate cash inflows to the company is known or the legal right to the use of the asset is time specific.

Accounting Model

The Company adopts the cost model to account for all items of intangible assets. This presupposes that the items are carried at their costs less any accumulated amortization and accumulated impairment losses.

Amortization of Intangible Assets

1. Intangible assets with indefinite useful lives - The Company does not amortize intangible assets with indefinite useful lives.

2. Amortization - Intangible Assets with Useful Lives – the company amortizes on a systematic basis intangible assets with finite useful lives. The depreciable amount of intangible asset with useful life is made on a "straight line basis" and the amortization charge for each period is recognized in profit or loss.

3. Residual Value - The Company amortizes intangible assets with the presumption that the residual values of the assets are zero.

The identified classes of intangible assets of the group have been amortized over their respective useful lives as follows:

- Business application software - 4 years
- Engineering software - 4 years

Impairment Losses

The Company shall subject all intangible assets to impairment tests annually. All impairment losses are recognized in profit or loss in the period in which the impairment is identified. Where this impairment relates to an asset previously identified to have indefinite life, each impairment loss is treated as a change in accounting estimate.

Intangible assets of the company are subjected to impairment tests annually whether or not there are indications that the intangible assets are impaired

De-Recognition

Intangible assets are de-recognized in the event of the following:

- On disposal
- When no future economic benefits are expected from their use or disposal

Gain/Loss on De-Recognition

The Company determines the gain on loss arising from de-recognition of items of intangible assets as the difference between the net disposal proceeds and the carrying amount of the assets.

Miscellaneous rules on Intangible Assets

1. The Company will not recognize internally generated goodwill as an intangible asset

2. Internally generated intangible assets: No intangible assets arising from the research phase of an internal project will be recognized in the financial statements or accounts of the Company. They are expensed as incurred.
3. Intangible assets arising from the development phase of an internal project may be recognized in the event of the following :

    1. The asset is technically feasible and the Company can make it available for use
    2. The management's intention is to complete the project and to either use it or sell it
    3. The Company has ability to use the asset or sell it
    4. The Company is able to measure reliably the expenditure incurred during its development.
    5. The Company has adequate technical and financial resources to complete the development of the asset and committed to funding it.

Investment in Associates

The company classifies an investment in another company (Investee) if the company has significant influence over the company (Investee) and that the investee company is neither a subsidiary nor a Joint Venture Operation. The concept of significant influence manifests where the company has power to participate in the financial and operating policy decisions of the investee company but this shall not be control or joint control over those policies and/or where the company holds directly or indirectly (through subsidiaries) 20% or more but not more than 50% in the voting rights of share capital of the investee company.

Accounting Method

The company employs the 'equity method', in accounting for its investments in investee companies classified as associates in the preparation of the consolidated financial statements. This method is employed form the date the investee becomes an associate of the company. While for the purpose of the separate financial statements of the company employs the cost method.

Initial Recognition - Investment in associate shall be initially recognized at **"cost"**

Measurements Subsequent to Initial Recognition

1. The carrying amount of investments in associates is increased or decreased to take account of the company's share of the profit or loss of the investee company after the date of acquisition.
2. The company's share of the profit or loss in the investee company is dealt with in the company's profit or loss from period to period.

Other Comprehensive Income in Investee Company

The carrying amount of the company's investment in the investee company shall be proportionally adjusted for changes from the following as recognized in the investee company's Statement of Comprehensive Income:

- Revaluation Reserves deriving from revaluation of property plant and equipment.
- Foreign Exchange translation differences
- Fair value gains or losses of measurement of financial assets and liabilities.

Losses in Associate Company

1. The company will include and or apply the post – acquisition losses against the carrying amount of the investment in any associate.

2. The company will only discontinue the accumulation of further losses where the company's share of losses in the Investee Company equals or exceeds the carrying amount of its interest in the Associate.

In this scenario, the investment in the investee company shall be in statement of financial position at NIL value but a disclosure is made in the notes to the financial statements to show the movement in value of the investment.

Loss of Significant Influence

The company ceases to apply the 'equity method' of accounting for investment in an associate immediately the "Significant Influence**"** is lost in the investee company.

Subsequent measurement after Loss of Significant Influence

The company on losing significant influence in an associate company accounts for the investment using the 'fair value" basis as applicable to any other "financial assets". Any difference arising between the re-measured fair values of the investment at the date of the loss of significant influence is dealt with in profit or loss account.

Impairment Losses

The company carries out impairment tests on the carrying values of an investment in an associate and recognizes any impairment loss established. Any implied/embedded goodwill in the carrying amount of an investment in an associate is not separately tested for impairment. The entire carrying amount of the investment is subjected to impairment tests at the end of the reporting period.

Any difference arising between the cost of the investment in the associate and the company's share of net fair value of the investee company's **"identifiable assets"** shall be dealt with thus:

1. Goodwill arising thereon is included in the carrying amount of the investment "Goodwill will not be amortized".

2. Any excess of the company's share of the investee company's net assets and liabilities over the investment is included in income. (Bargain Purchase)

Long Term Loans to Associates

Long Term Loans to the associate that are considered in substance and extension of the company's investment in the associate may be included in the carrying amount of the investment in the associate and may be available to absorb accumulated losses incurred by the associate. Long term loans for which adequate collateral exist will be excluded for this treatment.

Investment Properties

The investment properties of the company are real estate properties held by the company, Land or Buildings, for the main objective of earning rentals. Such properties not being held or used for the daily operations of the company or sale in the ordinary course of business or in which in some cases, an insignificant portion is held for use in the ordinary activities of the company.

Accounting Policies and Rules

1. The company will account for items of property classified as Investment Properties using "**cost model".**
2. The company will provide the fair value of all items classified as investment properties at the end of each reporting period even though the cost model is used in the presentation in the financial statements.
3. The company will not classify any interest in property held under an operating lease as an investment property.
4. Any interest in a property secured through the state government and evidenced by a certificate of occupancy or deed of assignment under the "Land Use Act" shall not be interpreted as constituting an operating lease, but a freehold property.

Recognition and Measurement of Investment Properties

Investment properties shall be recognized in the financial statements of the company in the event of the following circumstances:

1. It is probable that future economic benefits that are associated with the investment property will accrue to the company.
2. The cost of the investment property can be reliably measured
3. The Items of property classified as investment property shall be measured initially at its **cost.**
4. All transactions costs directly attributable to the relevant investment properties shall be included in this cost.
5. Where the acquisition of the investment property was an exchange for non – monetary asset or assets or a combination of monetary and non – monetary assets, the cost of such investment property is measured at "***fair value"*** or at the **"carrying amount"** of the asset "**given up"** where measurement at fair value could not be reliably determined.

Depreciation **–** the company will depreciate assets classified into investment properties at the rate of 10% as long as the cost model is used except where the underlying asset is purely land. The company will cease to depreciate investment properties on adoption of the fair value model and recognize periodic fair value changes in profit or loss.

Disposal of Investment Properties

An investment property will be de-recognized i.e. eliminated from the Statement of Financial Position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected therefrom.

Gains on losses arising from the disposal of Investment Property - Gains or losses is determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be dealt with in the profit or loss account.

Compensations received for impairments - All compensations from third parties for investment properties that were impaired, lost or given up are recognized in profit or loss account only when the compensation becomes receivable.

Compensations - received from loss of investment properties or damages are deemed as constituting separate economic events and are treated separately. These will not be available in determining the gain or loss arising from disposal of the asset.

Earnings per share

The earnings per share represents the after tax unit of profits of the company that is attributable to each unit of shares outstanding at the end of the reporting period, within the context of the earnings of the company for the period as may be impacted by adopted accounting policies. The earnings per share is calculated on the basis of the consolidated financial information and presented on the following bases in the financial statements:

1. Basic Earnings per Share and
2. Diluted Earnings per share (where applicable only)

Basic Earnings per Share is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted number of ordinary shares outstanding during the period. In determining the earnings attributable to equity holders, the company shall adjust for the following:

1. The after tax amount of any preference dividends or non-cumulative preference shares.
2. The after tax amount of the preference dividends for Cumulative preference shares whether that dividend has been declared or not.
3. Other adjusting items relating to preference shares with Increasing Rate Preference Shares, Preference Shares Schemes and Preference Shares Early Conversion Programs.

The quantum of ordinary shares shall be determined by the weighted number of ordinary shares outstanding during the period (Using a time weighted factor).

Diluted Earnings per share is calculated by adjusting the profit or loss attributable to ordinary equity holders and the number of shares outstanding for the effects of dilutive potential ordinary shares. In this context Earnings shall be adjusted for

1. Any interest recognized in this period related to dilutive potential ordinary shares.
2. Any dividends or other items related to dilutive potential ordinary shares in arriving at profit or loss attributable to ordinary equity holders
3. Any other changes in income or expenses that would result from the conversion of the dilutive potential ordinary shares

The number of shares shall be adjusted for:

1. The time weighted average number of ordinary shares as obtainable before considering the dilutive ordinary shares Plus
2. The weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Related Party Disclosures
Related Parties and Related Party Transactions

This is manifest in a subsisting relationship between the company and other entities where:

1. The company and the other entities are members of the same group with each parent, subsidiary and fellow subsidiary is related to others
2. The other entity is an associate or joint venture of the other entity
3. The company and the other entities are joint venture of the same third party

A related party transaction will therefore be identified in the event of a transfer of resources, services or obligation between the company and its associated related parties regardless of whether a price is charged. The company will independently disclose the following in the financial statements:

1. The company shall identify and separately account for all types of transactions between it and all the other related parties

2. The company shall state the respective balances owed to it or indebted by the other related parties

3. The company shall disclose the approximate profit earned from related parties at the end of the reporting period.

4. The company shall disclose guarantees given on behalf of related parties to other third parties and an estimate of liability that may crystalize from such guarantees given

5. The company shall disclose any loans separately granted to its associated related parties whether or not such loans attract interest charges.

Operating Segments

An operating segment is such distinguishable component or unit within the company from which the company earns separately identifiable revenues and expenses; whose discrete operating results are evaluated by the Chief Decision Maker and whose discrete financial information is evaluated for the assessment of performance and allocation of resources.

Business Segment

Is a component of an entity which whilst operating within the group paradoxically has distinguishable and clearly identifiable risks and returns that are different from those of other classes of business being carried on by the group.

Geographical Segment

Is a distinguishable component of an entity, that may be a foreign entity or operation that operates within a particular economic environment with identifiable risks and returns that are different from those of other components operating in other economic environments.

The following operating segments are identified within the company and accordingly the company shall present the financial information of these segments along with the financial statements incorporating; segment revenue, segment cost of sales, segment operation expenses, segment current assets, segment long term liabilities, segment current liabilities

1. Building contracts and Jobbings
2. Property rental operations
3. Facility management services
4. Investments

Revenue Threshold

The combined revenue of the identified segments shall not be less than 75% of the externally reported revenue of the company as a whole. Where there is a shortfall, the company identifies an additional reportable segment even if this additional segment does not meet the recognition criteria.

Employee Benefits

The company maintains a body of staff for its operations and administrative functions. Employee benefits therefore relate to all forms of **"consideration"** given by the company in exchange for the services to be rendered by this body of staff.

The following are the various categories of employee benefits

a. Short-term employee benefits –These are recurrent periodic benefits that are due to be settled latest within twelve months after the end of the period in which they fall due.

b. Defined Contribution Plans –This is a post-employment benefit plan under which the company pays a fixed monetary contribution currently for future benefits of the employees; usually not below a statutorily regulated threshold, to a separate entity for the ultimate benefit of the staff. Under this plan the company will have no further legal or constructive obligation to pay further contributions if ultimately the "FUND" as held by the "CUSTODIAN" and managed by the Pension Fund Administrator does not hold sufficient assets to pay all employees benefits relating to employee service in the current or prior periods.

c. Termination benefits –Benefits payable to employees as a result of either the company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange of those benefits.

d. Gratuity Scheme –Under this scheme the company pays an employee a lump sum on formal disengagement form the services of the company if the employee meets certain employment criteria as determined by general employment policies of the company or as may be enforced by a national collective agreement. The qualification criteria are principally the minimum length of service in years and employee disengagement salary or period specific salary. *This scheme has been significantly replaced by the national pension scheme and the residual dues to employees are accumulated quarterly in each reporting period and paid along with salaries*.

Recognition and measurement of employee benefits

Short term employee benefits

The following benefits are identified:

- Wages salaries and social security contributions –This is measured and recognized according to respective employee's **"**<u>service contract</u>" and are be recognized in profit or loss when expected services have been rendered by employees. Social security contribution here will relate to such statutory contributions as Employee Compensation Fund administered by National Social Insurance Trust Fund.

- Short term compensated Absences –This relates to benefits such as paid annual leave and paid sick leave falling within the purview of the general employment policies of the company. The company measures the amount payable/due based on the respective employee service contract or general employment policies. Where the provisions of the employee service contract are inconsistent with the general employment policies, the specific staff employment service contract terms prevails. This expense is recognized on <u>"Non accumulating basis</u>" when the absence occurs,

- Profit sharing and bonus plans –This relates to staff incentive scheme usually payable within a period of twelve months after the end of the period in which the employee has rendered the related service. The obligating circumstances for the recognition of this expense in the financial statements of a reporting period shall be the following:

  1. The existence of a standardized formula for calculation the profit sharing or the bonus due
  2. An approval by the Board of Directors
  3. The approval given before the financial statements are authorized for issue.

- Defined contribution plans –This relates to post-employment benefits due to staff from earlier joint contributions made by the company and the staff to a separate entity in the course of respective staff employment with the company. The amount payable shall be measured based on the prescribed percentages in the statutory document giving effect to it (Pension Reform Act of 2004 – currently 7.5% of earned income) or such higher percentage the company may volunteer to contribute.

- Employee Life Assurance Policy –This is prescribed by the Pension Reform Act 2004. The company shall take out life assurance policies for all staff with a sum assured of not less than <u>"three times the annual total emolument"</u> of each employee. The life assurance premiums under this are charged to each periodic profits or loss as part of employee benefits.

- Termination Benefits –These relate to employee benefits resulting from premature termination of staff employment contracts by the company or acceptance of an early retirement benefits by an employee or group of employees under a restructuring or redundancy program.

  The company will recognize the termination benefits if it is committed to terminating the services of an employee or group of employees and willing to pay the resulting termination benefits.

  The company must also have a detailed plan and the plan must have been effectively communicated to the affected employees. The computed termination benefits are recognized in the profits or loss of the period in which the termination notice is given or the period in which the restructuring plan is executed. Where the resulting termination benefits will fall due more than twelve months after the end of the reporting period the computed liability is <u>"discounted"</u>.

- Gratuity scheme –Relating to a lump sum payment paid to a disengaging staff on normal retirement. Qualification criteria shall be based on company policy regarding this scheme. The gratuity liability is settled from the accumulated gratuity provisions account. The amount computed for qualifying staff is recognized in the period in which the qualification criteria are met for each employee. Maim qualification criteria and computation elements are the related employee salary, the length of service and other factors contained in current NJIC collective agreement. This gratuity scheme shall not be separately "Funded" but accumulated on quarterly basis and paid out.

- Long Service Award –This is an award to staff that has meritoriously served the company. This is computed on a predetermined formula and recognized as incurred in the financial statements.

Impairment of Assets

An asset is a resource controlled by the company as a result of a past event and from which the future economic benefits embodied in the asset is expected to flow to the company. The company will state the values of assets at no more than the "recoverable values" of the respective assets. Therefore in circumstances where the carrying amount of an asset in the financial statements is higher than its recoverable amount such an asset shall be deemed "Impaired" and the impairment loss recognized in the profit or loss of the period in which the loss is identified.

Impairment tests is carried out on all the assets of the company to ensure that the values of assets as stated in the financial statements are not higher than their recoverable amounts other than inventories; financial assets; investment properties and non-current assets held for sale.

Recognition and Measurement of Impairment Losses

The company shall measure and recognize impairment loss as follows:

1. If the carrying amount of an asset is higher than its recoverable amount, the company reduces the carrying amount of the asset to its recoverable amount. This reduction constitutes the impairment loss and recognized in profit or loss for that period.

2. Identified impairment loss on an asset carried at cost in the financial statements is recognized in the Profit or Loss in the period in which the loss is identified.

3. Identified impairment loss on an asset carried at "Revalued Amount" in the financial statements is treated as a Revaluation Decrease and adjusted accordingly in the Assets Revaluation Reserves Account to the extent to which the balance outstanding for that asset on the Revaluation Surplus Reserves Account can absorb the impairment loss. Any excess of the impairment loss over the balance for that asset in the Revaluation Surplus Reserves account is recognized in the Profit or Loss.

4. After adjustment for an impairment loss the subsequent depreciation charges is adjusted in future periods to allocate the asset's revised carrying amount less its residual value over its remaining useful life.

5. Deferred Tax – any related deferred tax assets or liabilities resulting from the recognition of the impairment loss is calculated in accordance with the International Accounting Standard 12 by comparing the revised carrying amount of the asset with its "Tax Base"

6. Impairment loss recognized on an asset is reversed only if there exists credible changes in estimates and bases thereof used in the determination of the initial impairment loss

7. Goodwill – the company will not reverse any impairment loss recognized on account of goodwill in any circumstance.

8. Intangible Asset with Indefinite Useful Life – the company will not subject this class of Intangible Asset to depreciation but will subject it annually to impairment test.

9. Intangible Asset Not Yet Available for Use – the company will test the Recoverable Amount of an intangible asset not yet available for use annually for impairment.

Taxation
Income tax expense represents the sum of the current tax payable on the results of the reporting period and deferred tax recognition arising during the period. The taxable profits differs from the profits as reported in the financial statements because some income or expense are taxable or deductible in different years or they may not be taxable or deductible at all depending on the provisions of the existing tax laws or specific government regulations (e.g. Executive Orders). The tax liability for current tax expense is based on the provisions of the Companies Income Tax Amendment Act 2007 and the Education Tax Act with current tax rates of 30% of "total Profits" and 2% of "Assessable Profits" respectively.

Deferred Tax
Is expected to be payable in the future years arising from temporary differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profits. This is accounted for using the liability method applied the current enacted tax rate. The carrying amount of any recognized deferred tax asset is reviewed at each reporting period and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Financial Instruments
Financial instruments are contracts that give rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. These financial instruments incorporating financial assets and financial liabilities are recognized in the financial statements when the company becomes a party to the contractual provisions of the instrument.

The following constituting classes of financial instruments are dealt with in the financial statements as follows:

Financial assets – the company measures and classifies financial assets as either measured at amortized cost or fair value on the basis of its business model of measuring the related financial asset. The company measures a financial asset or group of financial asset at amortized cost if the financial asset is held within the business model whose objective is to hold this class of financial assets in order to collect the related contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding. Financial assets could be further broadly classified with the limits permitted by current IFRSs. *The company will fully employ IFRS 9 from the next accounting period:*

- Financial assets at fair value through profit or loss – these are financial assets acquired principally for selling in the near term or they are part of a portfolio of identified financial instruments that are managed together and there are recent evidence of short term and actual profit taking or they are derivatives other than a financial guarantee contract that is not designated as an effective hedging instrument.

- Financial assets held to maturity – these relate assets with fixed or determinable payments and fixed maturity for which the company has the positive intent and ability to hold until maturity.

- Loans and receivables – these relate to non-derivative financial assets with fixed determinable payments (but with no fixed maturity dates) that are not quoted in an active market.

- Available for sale – these relate to non-derivative financial assets not meeting the classification criteria of any of the three above. These are measured at fair value at the end of each reporting period. The corresponding gain or loss arising from the fair value measurement at the end of the reporting period is recognized in other comprehensive income (OCI). On disposal the cumulative gains or losses recognized in other comprehensive income is reclassified to profit or loss.

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Financial liabilities – the company classifies and measures all financial liabilities initially at fair value and subsequently at amortized cost using the effective interest rate method except if the financial liability is measured at fair value through profit or loss and financial liabilities that arise when a transfer of a financial asset does not qualify for de- recognition or when the continuing involvement approach applies.

Financial instruments can be seen specifically in terms of cash instruments or derivative instruments. Cash instruments financial instruments are those whose value are directly determined by the markets. They are either securities which are readily transferable or other cash instruments such as loans and deposits. Derivatives financial instruments derive their values from the values and characteristics of one or more underlying items such as interest rates, exchange rates, yields and market index.

Financial instruments are recognized and derecognized on a trade date where a purchase or sale of the asset or liability is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned and they are initially measured at cost including transactions costs.

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception) and are subsequently measured at amortized cost using the effective interest rate method.

Offsetting financial instruments
Financial assets and financial liabilities could be offset and the net amount presented in the statement of financial position when and only when the group has a current legally enforceable right to set off the recognized amounts and the group intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

Other financial instruments:

Cash and cash equivalents - This comprise cash on hand, current bank account balances, call deposits and other short term highly liquid investments that are readily convertible to a known amount of cash without significant risk of loss in value. These are measured at amortized cost

Trade Payables - Trade payables resulting from residue outstanding on recurrent business transactions and not interest bearing are stated at their nominal values.

Trade Receivables – resulting from residue of revenue recognized and not interest bearing are stated initially at fair value and subsequently at amortized cost as may be impacted by any amount specifically assessed by management as constituting a balance that is not recoverable arising from an objective evidence. Individual trade receivables are only written off on this basis to the profit or loss.

Financial liabilities and Equity Instruments – financial liabilities and equity instruments issued by the company or other members of the group are classified by their substance of the contract arrangement entered into and the definitions of the financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities and includes no obligation to deliver cash or other financial assets

Impairment of financial assets
The company assesses at the end of each reporting period whether a financial asset or group of financial assets measured at amortized cost is impaired. The impairment is measured as the difference between the asset's carrying amount and the present value of the estimated cashflows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Hedges
The company employs hedge accounting where a hedging relationship is designated at inception as a hedge based on the company's risk management objective and strategy. The provisions of effective hedge have been reversed. A hedge could be either a cashflow hedge or a fair value hedge. Any gain or loss resulting from a fair value hedge is adjusted on the carrying amount of the hedge with a corresponding recognition in profit or loss while any gain or loss resulting from cash flow hedge is recognized directly in equity or the underlying asset.

Fair value measurements
The company employs fair value where other International Financial Reporting standards require or permit fair value measurement or discloses fair value measurement. Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly manner between knowledgeable market participants at the specific measurement date.
Measurement – the company takes in to account the following factors in the measurement of fair value of an asset of or liability:

- The condition and location of the asset
- Restrictions if any attaching to the asset
- The unit of account. An asset or liability measured at fair value could be applied or used as a stand-alone or group of assets. The classification will determine the unit of account for recognition purposes

Market – fair value measurement and recognition is based on the premise that there exists a market where the asset could be sold or liability transferred in an orderly manner. The market could be:

- The principal market
- The most advantageous market or
- That market viewed from the perspective of a market participant

Non-financial assets – in measuring the fair value of non-financial assets the company takes into account the ability to apply the asset at its highest and best use to generate optimal economic benefits. The highest and best use principle is

underpinned by the ability to use the asset either as a stand alone or in combination with other assets and liabilities and that these complimentary assets and liabilities are available to the market participant.

Fair value hierarchy:
Level 1 – quoted and unadjusted prices in an active market. Stock Exchanges or Commodities Exchanges.
Level 2 – inputs for valuation under this level relate to those other than quoted prices included under Level 1 that are observable for the asset or liability directly or indirectly. Inputs for his valuation will include:

- Quoted prices of similar assets and liabilities in active markets
- Quoted prices of similar or identical assets and liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability
- Valuation models

Level 3 – un-observable inputs for the valuation of the asset or liability but still premised on an exit price at the measurement date.

Revised and New International Financial Reporting Standards

This segment deals with the application of new and revised international financial reporting standards that are mandatory. The International Accounting Standards Board (IASB) has issued a number of new standards, amendments to existing standards and new interpretations:

IFRS 9- Effective 1st January, 2018.
The key requirements of the changes to this standard are the following:

- For all financial assets not measured at fair value through profit or loss, these are required to be measured at initial recognition at fair value and adjusted for any transaction costs.

- Debt securities are to be measured at fair value through profit or loss, amortized cost or at fair value through other comprehensive income (OCI) based on the entity's investment model for holding the securities and the contractual cashflows derivable from the securities.

- Fair Value Option (FVO) - the amendment provides for a fair value option that allows financial assets to be designated at fair value through profit or loss if such designation eliminates or reduces accounting mis-match.

- Non-trading equities - the amendment provides an option on equity by equity basis (which is irrevocable) to present the changes in fair value of non-trading equities in other comprehensive income without subsequent reclassification to profit or loss.

- Financial liabilities: where a class of financial liabilities is designated at FVTPOL using the fair value option, the amount of change in fair value of such financial liabilities that is attributable to credit risk must be presented in OCI. The residue must be presented in profit or loss, unless presenting it through OCI will create further accounting mismatch.

Impairment:
The incurred loss model is replaced with "expected loss model". This applies to debt instruments accounted for at amortized cost or at fair value through OCI.

Hedge Accounting
Hedge effectiveness testing is prospective without the 80% to 125% line test in IAS 39.

IFRS 10 (1/1/13), IFRS 12 (1/1/13) and IAS 28 (1/1/13) Amendments- Effective Date- 1st January, 2013.

These amendments addressed three key issues that arose under IFRS 10 in applying the consolidation exception to investment entities:

- The exception in IFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity when the investment entity measures its subsidiaries at fair value.

- Only a subsidiary of an investment entity that is not itself an investment entity and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

- Equity Method- IAS 28 - in applying the equity method, it retains the fair value measurement applied to the investment entity, associate or joint venture or its interests in subsidiaries.

IFRS 15- Effective from 1st January, 2018.

The new IFRS replaces all existing revenue measurement basis and criteria for measurement in all standards and pronouncements viz:

IAS 11- Construction contract
IAS 18- Revenue
IFRIC 13- Customer loyalty programs
IFIRC 15- Agreements for the construction of real estates
IFIRC 18- Transfer of assets from customers; and
SIC 13- Revenue- Barter transactions involving advertising services

The standard applies to all forms of revenue arising from contracts with customers unless the contracts/revenue are in the scope of other standards such as IFRS 16.

The standard outlines five core principles in recognizing revenue:

- Identify the contract with the customer.

- Identify the performance obligation(s) in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when or as the entity satisfies a performances obligation.

Entities must exercise due judgment and take cognizance of all information available and the circumstances of the contract in applying the step model in recognizing revenue.

IFRS 16- Leases: Effective from 1st January, 2019**.**

The standard replaces IAS 17 entirely and covers all types of leases with limited exceptions. The standard defines a lease as "a contract or part of a contract that conveys the 'right to use' an asset for a period of time in exchange for a consideration". The key factors/elements are:

- The right to control an asset for the period of the lease contract.
- The entitlement to the economic benefits embedded in the underlying leased asset(s) for the period of the lease contract.

These are from the perspective of the lessee:

Accounting by Lessees:

Lessees are required to account for lease contract under a single on-balance sheet model akin to the requirements under accounting for finance lease. Two recognition exemptions are allowed:

1. Leases from low value assets. e.g. consumer products.
2. Short term leases with contract periods of less than 12 months.
3. Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right of use of asset (the underlying lease asset).
4. Lessees are required to re-measure the lease liability upon the occurrence of certain events (e.g. re-measurement of restoration and resulting liability; change in lease term). The impact of changes will be accounted for in both the leased asset i.e. right of use-asset and the lease liability.

Accounting by Lessors:
Accounting for lessor transactions in a right of use contract is substantially unchanged from that of IAS 17.

IAS 12 Amendments
Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarifies that when considering the impact of deferred tax in respect of unrealized losses on debt instruments measured at fair value, the entity needs to consider whether local tax laws restrict the sources of taxable profits against which it may make deductions.

IAS 16 and IAS 38 Amendments
Acceptable methods of depreciation and amortization:

The amendments states that the principle in IAS 16 and IAS 38 that a revenue reflects a pattern of economic benefits that are generated from operating a business; of which the employed assets is a part; rather than the economic benefits consumed through the use of the asset. Accordingly, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment but may in limited circumstances be used to amortize intangible assets.

IAS 16 and IAS 41
Amendments to IAS 16 & IAS 41

The amendments changed the scope of IAS 16 to include biological assets that meet the definition of "Bearer plants". Agricultural produce growing in bearer plants (e.g. fruits growing on a tree) will remain within the scope of IAS 41.

The amendments requires bearer plants to be subject to all the recognition, measurement, condition and requirements of IAS 16 which includes the choice between the cost model and the revaluation model.

Group outlook on new IFRS(s), Amendments and Pronouncements

The summary of the amendments and new IFRS(s) discussed above are those with potential direct impact on the accounting policies of the company are those with limited impact on the company. The International Accounting Standard Board (IASB) has issued other amendments which have not been discussed under this segment of the company's and group's accounting policies.

These amendments and accounting policies have not been employed in preparing the financial statements of the group and company for the reporting period ending 31st March, 2016. The group did not elect or employ earlier application of these standards and amendments in cases where earlier application is permitted.

Notes to the Financial Statements

1 Revenue

The revenue of the company comprised:

		Group	*Restated* Group	Company	*Restated* Company
		2017	2016	2017	2016
		N' 000	N' 000	N' 000	N' 000
Contract works executed and certified	See Note 51	21,374,027	23,574,273	21,374,027	23,574,273
Jobbings		282,903	601,330	282,903	601,330
Service rendered		821,765	631,121	802,589	613,037
Gross revenue		22,478,694	24,806,724	22,459,519	24,788,641

Revenues from contract works relate to major contract works executed by the company during the year from both on-going contracts and new contract signings in the course of the period which have been recognized on the basis of percentage of completion method evidenced by periodic valuations; jobbings relate to revenue derived by the company from renovation and remodeling small contracts that are usually completed within a short period of time while revenues from services relate to the income derived by the company from facility management and maintenance services rendered by the company on fully serviced properties. The value of supplies made to these properties is classified along with the service charges and priced at cost plus basis. IFRS 15 on revenue from contracts with customers has not been applied for the purpose of revenue recognition for the period. The effective date of this standard is January 2018. IAS 11 was applied.

	2017	2016	2017	2016
2 Cost of Sales	N' 000	N' 000	N' 000	N' 000
This comprised the following:				
Construction materials and stores consumed	5,721,696	4,540,483	5,723,046	4,540,383
Direct labor cost	4,488,497	4,472,426	4,487,452	4,472,426
Sub-contracts charges	8,282,103	12,100,684	8,282,103	12,100,684
Plant and vehicles running costs	1,303,909	1,153,783	1,303,909	1,153,783
Total cost of sales and change in work in progress	19,796,205	22,267,376	19,796,510	22,267,276
2.1 Analysis of subcontracting expense				
Electrical contracts	2,520,933	2,408,036	2,520,933	2,408,036
Mechanical contracts	3,138,846	1,695,306	3,138,846	1,695,306
Finishing contracts	2,622,324	7,997,342	2,622,324	7,997,342
Total recognized on cost of sales	8,282,103	12,100,684	8,282,103	12,100,684

Materials cost accounted for in cost of sales relate to specific and non-interchangeable items procured for specific contracts and such homogeneous materials issued from stores and charged to specific projects and accounted for in contract costs. While costs of project specific and non-interchangeable materials and equipment are charged as incurred to their related projects other materials cost are charged as issued using the weighted average cost method. Plants cost and plants running costs employed directly in construction works are equally accounted for in contract cost accounts as well as direct labor costs. Certain aspects of contracts require specialist skills and technologies beyond the traditional civil engineering capabilities. These aspects require the engagement of other engineering entities who may either be client nominated or company nominated. Notwithstanding these aspects of contracts require them to be coordinated by the company and entitlement to attendance revenues. The cost price of subcontracts are subsumed in the overall contract price with election payment terms. The components of subcontract costs for the period are as stated in note 2.1 above.

	2017	2016	2017	2016
	N' 000	N' 000	N' 000	N' 000
3 Operating expenses comprised the following:				
Establishment expenses	890,145	1,178,303	884,503	1,172,068
Administrative expenses	984,590	943,203	978,118	934,247
Bank charges and commissions	43,411	41,302	43,399	41,275
Total operating expenses	1,918,146	2,162,808	1,906,020	2,147,589

All other costs of operations for the period other than those accounted for in cost of sales and projects cost accounts are classified as operating expenses and classified in the categories stated in note 3 above. Bank charges and commissions included within this category are exclusive of financing costs which are accounted for separately within the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

	Group	*Restated* Group	Company	*Restated* Company
	2017	2016	2017	2016
	N' 000	N' 000	N' 000	N' 000
4 Share of results of joint ventures/associates	-	-	-	-

The company holds a 40% equity stake in KLAFG06 Limited a foreign entity based in Ghana. The group has recogized its share of the results of the investee company in the consolidated financial statements and accounted for the carrying amount of this investment using the equity method in accordance with the provisions of IAS 28. For the period ended 31st March 2017 the associate incurred further losses on its operations. As at period ended 31st March 2016 the carrying amount of this investment using the equity method of accounting was zero accordingly the group's share in the futher losses in the associate have only been disclosed as a note. The group disposed its stake in KLAFG06 Limited during the year and ceased further reporting on the associate from date of disposal. The results on disposal is included in the results of the group for the year. (See note 7 and 25)

5 Rental income

The company and its subsidiaries have interests in real estates deriving from direct beneficial ownerships of those underlying properties and other interests in the unexpired lease periods of leased properties subleased to third parties in development arrangements with other entities and held as investments for purposes of deriving rental revenue as a business model. For the period ended 31st March 2017, the group and company derived the following revenues from leased properties.

	N' 000	N' 000	N' 000	N' 000
Rent derived from properties	282,058	242,126	282,208	242,646

Income derived from leased properties from external parties have been measured and amortized to profit or loss on time apportionment basis over the contracted lease period. Inter group lettings/leases have been adjusted in the consolidation process.

	N' 000	N' 000	N' 000	N' 000
6 Profit/(loss) realized from disposal of non-financial assets:				
Proceeds from sale of non-financial assets	7,319	5,800	7,319	5,800
Carrying amounts of disposed non-financial assets	278	-	278	0
Profit/(loss) realized on sale	7,041	5,800	7,041	5,800

Certain items of property plant and equipment identified as obsolete or identified as no longer useful for the operations of the group were scrapped and sold in the course of the period. The excess of the net sale proceeds of individual items of these property plant and equipment over their respective net book values at the time of sale have been recognized as profit on disposal of properties and conversely as a loss where the net sale proceeds are lower than the net book values of the items. The aggregate profits or losses realized on these disposals are dealt with in profit or loss.

	N' 000	N' 000	N' 000	N' 000
7 Profits/(loss) on sale of associate				
Proceeds from sale of associate company	37,495	-	37,495	-
Carrying amounts of disposed associate company	-	-	20,129	-
Profit/(loss) realized on sale	37,495	-	17,366	-

The company overtime maintained a 40% equity investment in KLAFG 06 for which the investee company was designated as an '"associate'. The company accounted for this holding as an investment under IAS 27 while the group accounted for this holding using the equity method under IAS 28. In the group the cost of this holding had been fully absorbed by the losses in the investee company and had ceased further recognition of losses upon full absorption of the cost of the investment. During the year,the group divested its shares held in this company in a strategic policy to reposition its investments and investment policy .The resulting gain on the fair dealing has been recognized in the profit or loss.

	N' 000	N' 000	N' 000	N' 000
8 Profits/(loss) on sale of debenture				
Proceeds from sale of debenture holding	440,342	-	440,342	-
Carrying amounts of disposed debenture	236,400	-	236,400	-
Profit/(loss) realized on sale	203,942	-	203,942	-

The group in the course of the year disposed off its long term debenture held with a related party company-KLAFG 06 in a settlement transaction.Further to this,the group in the current year has not reclassified any of its other financial assets into this class neither does it have intentions to designate any other financial assets as held to maturity.The decision by the group is predicated on the requirement of IAS 39 as it relates "tainting" of financial assets. Notwithstanding,the group has recognized the profit realised on the disposal of the financial instrument in financial statements .

9 Investment income

This comprised of dividends received from investments	1,008	867	791	689

The group has holdings of equities in other entities that are quoted on the Nigerian Stock Exchange and in others that are not listed (unquoted). The dividend income from these holdings have been recognized in the group's financial statements when it is probable the dividends from those investee entities will be received, usually when the dividends have been approved at the respective annual general meetings of these investee entities. For the purpose of the group the dividend receivable/received from the subsidiaries and associate companies have been excluded/canceled out in the consolidation process.

Notes to the Financial Statements

		Group	Group	Company	Company
			Restated		*Restated*
		2017	2016	2017	2016
10	Interest income	N' 000	N' 000	N' 000	N' 000
	Interests earned on bank term deposits	767,410	688,326	764,051	685,595
	Interests earned on domiciliary account deposits	83,346	45,933	83,346	45,933
	Interests earned on debt securities	-	3,249	-	3,249
	Total interests recognized in profit or loss	850,756	737,508	847,397	734,778

The group has investments in debt securities which are not traded in an active market and carried in the financial statements at period end at amortized cost. The group also manages its funds actively in the money market to derive maximum benefits from the funds majority of which were invested in short term bank deposits as well as in the over night bank deposits. The interests on these investments have been recognized in profit or loss using the effective interest rate method. The valuation basis of these investments are as stated in note 48.

		Group	Group	Company	Company
		N' 000	N' 000	N' 000	N' 000
11	Interest expense and other finance costs				
	APG and other bond fees	25,438	29,547	25,438	29,547
	Interest expense	1,009	4,334	1,009	4,334
		26,447	33,881	26,447	33,880
12	Exchange differences and other incomes				
	Realized exchange gains	-	-	-	-
	Unrealized exchange gains	2,837,430	150,616	2,837,430	150,616
	Other incomes	-	110	-	110
		2,837,430	150,726	2,837,430	150,726

Unrealized exchange gains resulted from the translation of cash and cash equivalents held in foreign currencies as well as the carrying amounts of other assets and liabilities denominated in foreign currencies at period end using the closing rate method. The net gains and losses disclosed above only relate to that portion permitted to be dealt with in profit or loss. Other translation gains or losses impacting or permitted to be dealt with in other comprehensive income have been so treated.

		Group	Group	Company	Company
		2017	2016	2017	2016
		N' 000	N' 000	N' 000	N' 000
13	Bad debts written off	4,665	-	4,665	-

The company and its subsidiaries evaluated all receivables and tested these on line by line assessment for impairment. In the Company some items of receivables were identified as impaired and written off to profit or loss. This is exclusive of write off in respect of withhoding tax credit notes. In the subsidiaries no items of receivables were found or identified as impaired for the reporting period ended 31st March 2017. See note 14

		Group	Group	Company	Company
		2017	2016	2017	2016
		N' 000	N' 000	N' 000	N' 000
14	Impairment charges				
		(250,000)	(150,000)	(250,000)	(150,000)

The impairment charges recognized in the profit or loss for the reporting period and the corresponding period relate to the identifiable outstanding withholding tax credit notes that have been outstanding for more than ten years and considered doubtful of collection and/or available to defray the tax liabilities of the company. In recognizing this impairment the company compared credit notes in custody with book carrying amount of receivables in respect of withholding tax credit notes. Withholding tax credit notes can only be applied to tax liabilities and cannot be transferred, assigned or sold to other entities.

Notes to the Financial Statements

		Group	*Restated* Group	Company	*Restated* Company
		N' 000	N' 000	N' 000	N' 000
15	Income tax expense	2017	2016	2017	2016
	Per statement of comprehensive income:				
	Company income tax	567,969	566,402	564,010	564,630
	Education tax	53,650	45,322	53,354	45,114
	Under/(over) provision in previous years	-	-	-	-
	Capital gains tax	14	34	14	34
	Deferred tax recognized in profit or loss	742,921	(253,022)	743,362	(253,650)
	Charge for the year	1,364,554	358,736	1,360,740	356,128
15.1	Per Statement of Financial Position				
	As at 1st April	611,753	491,978	609,773	489,945
	Tax Adjustment/transfers	-		-	-
	Charge for the year	621,633	611,758	617,377	609,778
	Defrayment with withholding tax credit notes	(550,850)	(447,315)	(550,850)	(447,315)
	Tax paid	(46,210)	(44,668)	(44,230)	(42,635)
	Balance 31st March	636,327	611,753	632,071	609,773
15.2	Deferred taxation				
	As at 1st April	354,043	607,065	351,542	605,192
	Deferred tax (reversals) /charges in the year	742,921	(253,022)	743,362	(253,650)
	Tax relating to components of other comprehensive income	4,061	-	4,061	-
	Balance 31st March	1,101,025	354,043	1,098,965	351,542

Deferred tax is recognized either in profit or loss or in other comprehensive income in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for taxation purposes. It reflects the consequences of the manner in which the Group intends to recover its assets or settle its liabilities. The carrying amounts of assets and liabilities for tax purposes is impacted by the Companies tax acts and other pronouncements of the revenue authority.

		N' 000	N' 000	N' 000	N' 000
16	Items in other comprehensive income	2017	2016	2017	2016
	Items reclassifiable to profit or loss:				
	Translation differences/currency reserves	6,516	(482)	-	(482)
	Fair value changes in AFS financial instruments	946	(8,895)	294	(4,950)
		7,462	(9,377)	294	(5,431)
	Items not reclassifiable to profit or loss				
	Revaluation surplus on property plant and equipment	70,530	-	70,530	-
	Revaluation gain/loss on cashflow hedges	-	-	-	-
		70,530	-	70,530	-

IAS 1 requires a separate disclosure on items recognized in other comprehensive income for the period and for all such items to be further grouped into those that may be reclassifiable subsequently to profit or loss and those that may not be reclassifiable subsequently to profit or loss. The provisions of the governing standards on specific items recognized in other comprehensive income for the period have been employed in determining this grouping presented above. Significantly the Company revalued and recognized in equity and the underlying item of property plant and equipment the acquired real estate office building (72 Campbell Street HQ) in the period. The resulting revaluation surplus is not reclassifiable subsequently to profit or loss.

Notes to the Financial Statements

16.1 Translation differences

The company has an equity holding in KLAFG06 Limited a foreign entity based in Ghana. This equity holding in the entity is denominated in foreign currency. In addition to this equity holding the company also invested in a debenture loan stock issued by the same company and also denominated in foreign currency.These two investments held with this foreign entity were disposed during the year by the company. Apart from the revaluation made on these financial assets in the prior period,no translation for the purpose of this financial statement was recognised as the carrying value as at the the end of 2016 was considered in the consummation of the disposal.

	Group 2017 N' 000	*Restated* Group 2016 N' 000	Company 2017 N' 000	*Restated* Company 2016 N' 000
Translation differences in financial instruments recognized in Other Comprehensive Income:				
Arising from AFS financial instruments				
Arising from equity holding in foreign entity	-	(482)	-	(482)
Arising from debenture in foreign entity	-	-		-
Transfer to other comprehensive income	-	(482)	-	(482)

16.2 Changes in carrying amount of debenture holding in KLAFG06 Limited

	Group 2017	Group 2016	Company 2017	Company 2016
Carrying amount 1st April	247,775	239,408	247,775	239,408
Effects of measurement at amortized cost	-	11,937	-	11,937
Exchange gains	-	-	-	-
Exchange loss	-	(3,570)	-	(3,570)
Disposal during the year	(247,775)	-	(247,775)	
Amortized cost				
Balance as at 31st March See Note 28	-	247,775	-	247,775

16.3 Changes in carrying amount of equity investment in KLAFG06 Limited

	Group 2017	Group 2016	Company 2017	Company 2016
Opening balance 1st April	-	-	20,129	20,611
Exchange gains	-	-	-	-
Exchange loss	-	-	-	(482)
Disposal during the year	-	-	(20,129)	-
Balance as at 31st March	-	-	-	20,129

16.4 Available for sale securities at fair value through Other comprehensive income

	Group 2017	Group 2016	Company 2017	Company 2016
As at 1st April	3,510	11,486	1,773	5,803
Stock dividend	-	-	-	-
Fair value gains	1,095	-	443	-
Fair value losses		(7,976)	-	(4,030)
Balance as at 31st March	4,604	3,510	2,217	1,773

16.5 Other available for sale securities

Unquoted equities

	Group 2017	Group 2016	Company 2017	Company 2016
As at 1st April	3,483	4,402	3,483	4,402
Stock dividend	-	-	-	
Additions	-	-	-	-
Disposals	-	-	-	-
Re-measurements	(149)	(919)	(149)	(919)
Balance as at 31st March	3,334	3,483	3,334	3,483

Deriving from the investment model of the holdings of the company in other entities, none could be designated or classified as securities held at fair value through profit or loss. Accordingly no fair value changes in the carrying amounts of the investments have been recognized in profit or loss for the period ended 31st March 2017.

16.6 Tax relating to components of equity

All taxes relating to the items recognized in the other comprehensive income for the period have also been recognized in other comprehensive income for the period at the prescribed rate and in accordance with IAS 12.

Notes to the Financial Statements

		Group 2017 N' 000	*Restated* Group 2016 N' 000	Company 2017 N' 000	*Restated* Company 2016 N' 000
17 Inventory	See Note 50				
Building materials		85,467	82,637	85,467	82,637
Goods in transit		1,380,469	513,658	1,380,469	513,658
Staff uniforms and safety wears		1,166	4,438	1,166	4,438
Tools		926,026	749,957	926,026	749,957
Spare parts and accessories		194,808	144,253	194,808	144,253
Fuels and oils		29,805	22,288	29,804	22,288
Work - in - progress		465,839	757,864	465,839	757,864
		3,083,581	2,275,095	3,083,580	2,275,095

The company has not pledged any of its items of stocks or group thereof (either as fixed or floating charge) as security for any liabilities or other forms of loans or bank facilities and has not made any adjustment for the reversal of a previous write-down in value of stock. Any reversal of net realizable value of stock items are used to write down the cost of inventories recognized as an expense in the period. With respect to work-in-progress, these are uncertified contract works measured at cost and all such costs relating to future contract activities. Stores issues have been made using the weighted average cost method while the carrying amounts of inventories have been stated at the lower of costs and net realizable values.

		Group 2017 N' 000	Group 2016 N' 000	Company 2017 N' 000	Company 2016 N' 000
18 Trade receivables					
Contract receivables		1,384,049	1,684,236	1,372,350	1,671,579
Service management receivables		44,280	63,411	44,280	63,411
Advance payments to subcontractors		3,090,199	2,802,076	3,090,199	2,802,076
		4,518,527	4,549,722	4,506,829	4,537,066
19 Other receivables, assets and prepayments					
Other receivables		2,478	1,011	2,301	833
Prepaid expenses		39,899	228	39,749	3
Other current assets		-	-	-	-
Withholding tax credit notes recoupable	See Note 37	1,085,883	1,407,276	1,084,198	1,405,792
		1,128,260	1,408,514	1,126,247	1,406,628
20 Balances due from related parties					
Stone Road Properties Limited		-	-	-	-
Igbobi Development Co. Limited		-	-	-	-
KLAFG 06		7,354	-	7,354	-
Clay Industry Nigeria Limited		9,352	5,487	9,352	5,487
		16,706	5,487	16,706	5,487

The balances dure from related parties in the group financial statements are those due from other related entities that are identified as related parties in the context of FIRS 10 but not consolidated in the group and receivables from the subsidiaries have been eliminated on consolidation.

The balance of trade receivables emcompasses receivables on all the trading activities of the group. The amount classified as advance payments to sub-contractors represents the residue of unrecovered advances made by the company to the client nominated or directly engaged sub-contractors on the various contracts being executed by the company. Subcontractors are mobilized in the same manner in which the company is mobilized for its awarded contracts and such advances are usually secured with valid advance payment guarantees and performance bonds mandatorily required as of company policy and prerequisite for the grant of advance payments or award of subcontracts to other entities.

The company has based write off of bad and doubtful debts on line by line assessment of each trade debtor to the company having regards to the available information on the trade debtor, negotiations and expectations of current and future dealings with each respective trade entity. Advances made to subcontractors have been evaluated and tested for impairments on item by item basis. None of these were identified as impaired as at the end of the reporting period 31st March 2017.

The company has subjected each category of assets listed under **"other receivables and prepayments"** to impairment tests to assess for a fact if the carrying amounts of the respective assets are lower than their respective recoverable amounts. Where applicable related impairment charges have been recognized in the profit or loss. Receivables in foreign currencies have been translated using the closing rate method.

	N' 000	N' 000	N' 000	N' 000
21 Cash and bank balances:				
Bank balances and short term fixed deposits in banks	19,141,917	18,547,614	19,078,774	18,497,335
Cash on hand	15,975	19,109	15,606	18,808
	19,157,892	18,566,723	19,094,380	18,516,143

The company has classified into cash and cash equivalents only cash and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

22 Property plant and equipment-Group 2017
(See Appendix 1)

	Land Properties N' 000	Leasehold Properties N' 000	Building Properties N' 000	Furniture Equipment and Plant N' 000	Motor Vehicles N' 000	Computer Equipment N' 000	PPE W. I.P N' 000	Total N' 000
Cost								
As at 1st April	301,721	302,943	58,339	1,753,926	2,533,234	35,875	-	4,986,038
Additions during the year	238,296	-	310,071	68,640	19,233	49,485		685,725
Reclassifications	-	-	-	-	-	-	-	-
Transfers	-	-	-	-		-		-
Disposals during the year	-	-	-	(10,424)	(79,019)	-		(89,443)
Balance 31st March	540,017	302,943	368,410	1,812,142	2,473,448	85,360	-	5,582,320
Depreciation								
As at 1st April	-	51,852	16,618	1,046,989	2,175,475	21,162		3,312,096
Reclassifications	-	-	-		-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Acc. Impairment provisions	-	-	-	-	-	-	-	-
Charge for the year	-	11,204	35,101	179,371	228,422	13,336		467,433
Impairment Charges for the year	-	-	-	-	-	-	-	-
Impairment Disposal for the year	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	(10,146)	(79,019)	-		(89,165)
Balance 31st March	-	63,056	51,719	1,216,214	2,324,877	34,498	-	3,690,365
Net book value 31st March 2017	540,017	239,887	316,691	595,928	148,571	50,862	-	1,891,955
Net book value 31st March 2016 - **Restated**	301,721	251,091	41,721	706,937	357,760	14,713	-	1,673,943

22.1 Property plant and equipment-Company 2017

	Land Properties N' 000	Leasehold Properties N' 000	Building Properties N' 000	Furniture Equipment and Plant N' 000	Motor Vehicles N' 000	Computer Equipment N' 000	PPE W. I.P N' 000	Total N' 000
Cost								
As at 1st April	301,721	302,943	58,055	1,746,493	2,513,424	34,677	-	4,957,313
Additions during the year	238,296	-	310,071	68,640	19,233	49,485	-	685,725
Transfers	-	-	-	-			-	-
Reclassifications	-	-	-	-				-
Disposals during the year	-	-	-	10,424	79,019	-		89,443
Balance 31st March	540,017	302,943	368,126	1,804,709	2,453,638	84,162	-	5,553,595
Depreciation								
As at 1st April	-	51,852	16,334	1,041,095	2,161,654	20,000		3,290,936
Reclassifications	-	-	-	-	-	-	-	-
Transfers	-		-	-	-	-	-	-
Acc. Impairment provisions	-	-	-	-	-	-	-	-
Charge for the year	-	11,204	35,101	178,721	225,088	13,300		463,414
Impairment Charges for the year	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	(10,146)	(79,019)	-		(89,165)
Impairment disposals during the year					-			-
Balance 31st March	-	63,056	51,435	1,209,670	2,307,723	33,300	-	3,665,186
Net book value 31st March 2017	540,017	239,887	316,691	595,039	145,915	50,862	-	1,888,409
Net book value 31st March 2016 - **Restated**	301,721	251,091	41,721	705,398	351,770	14,677	-	1,666,378

Notes to the Financial Statements

23 Investment Property - Group

See Note 67

	Group 2017 Lands	Group 2017 Building Properties	Group 2017 Total	Restated Group 2016 Lands	Restated Group 2016 Building Properties	Restated Group 2016 Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost						
As at 1st April	14,217	303	14,520	14,217	303	14,520
Reclassification/transfer	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance 31st March	14,217	303	14,520	14,217	303	14,520
Depreciation						
As at 1st April	-	303	303	-	303	303
Acc. Impairment provisions	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Reclassification/transfer	-	-	-	-	-	-
Impairment Charges for the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance 31st March	-	303	303	-	303	303
Net book value 31st March	14,217	-	14,217	14,217	-	14,217

23.1 Investment Property - Company

	Company 2017 Lands	Company 2017 Building Properties	Company 2017 Total	Restated Company 2016 Lands	Restated Company 2016 Building Properties	Restated Company 2016 Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost						
As at 1st April	13,007	-	13,007	13,007	-	13,007
Additions during the year	-	-	-	-	-	-
Reclassification/Transfers	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance 31st March	13,007	-	13,007	13,007	-	13,007
Depreciation						
As at 1st April	-	-	-	-	-	-
Acc. Impairment provisions	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Impairment Charges for the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance 31st March	-	-	-	-	-	-
Net book value 31st March	13,007	-	13,007	13,007	-	13,007

The investment properties of the group have been accounted for under the cost model which will be progressively depreciated in accordance with the depreciation policy of the group other than the land component of the respective investment properties. For the period ended 31st March 2017 all existing investments classified as investment property comprised land only and have not been depreciated in accordance with the policy and the provisions of the governing standard.

Notes to the Financial Statements

24 Intangible assets - Group

	Business Application	Engineering Software	Group 2017 Total	Business Application	Engineering Software	Group 2016 Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost						
As at 1st April	152	1,927	2,079	103	1,879	1,982
Reclassification/transfer	-	-	-	-	-	-
Additions during the year	-	-	-	49	48	97
Disposals during the year	-	-	-	-	-	-
Balance 31st March	152	1,927	2,079	152	1,927	2,079
Depreciation						
As at 1st April	64	952	1,016	26	470	496
Acc. Impairment provisions	-	-	-	-	-	-
Charge for the year	38	482	520	38	482	520
Reclassification/transfer	-	-	-	-	-	-
Impairment Charges for the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance 31st March	102	1,434	1,535	64	952	1,016
Net book value 31st March	50	493	544	88	975	1,064

24.1 Intangible assets - Company

	Business Application	Engineering Software	Company 2017 Total	Business Application	Engineering Software	Company 2016 Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost						
As at 1st April	152	1,927	2,079	103	1,879	1,982
Additions during the year	-	-	-	49	48	97
Reclassification/Transfers	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance 31st March	152	1,927	2,079	152	1,927	2,079
Depreciation						
As at 1st April	64	952	1,016	26	470	496
Acc. Impairment provisions	-	-	-	-	-	-
Charge for the year	38	482	520	38	482	496
Impairment Charges for the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance 31st March	102	1,434	1,535	64	952	1,016
Net book value 31st March	50	493	544	88	975	1,064

The items of the assets comprised in intangible properties of the group are classified as finite having finite useful lives. These are mainly computer softwares other than those embedded within equipments. These have been accounted for using the cost model as provided for in IAS 28. The depreciable amounts have been amortized to profit or loss. The items of software were not internally developed by the company but acquired directly. The finite useful lives of these softwares have been determined and significantly impacted by the risk of obsolescence. At period end these have been tested for impairment to assess the applicability of the initial finite lives used as basis for the write down of the intangible assets.

Notes to the Financial Statements

	Group 2017 N' 000	*Restated* Group 2016 N' 000	Company 2017 N' 000	*Restated* Company 2016 N' 000
25 Investments in associates				
Carrying amount of investments (1st April)	-	-	20,129	20,611
Exchange differences gains/(losses)	-	-	-	(482)
Accumulated losses in associate company	-	-	-	-
Disposal during the period	-	-	(20,129)	-
Balance as at 31st March	-	-	-	20,129

It is the group's policy at period end to objectively assess investments in shares held in various investment entities for indications of possible impairments in the financial assets and recognize their net movement accordingly either in the profit or loss or other comprehensive income .The holding of the group of 40% equity shares held in KLAFG 06 was sold in the reporting period. This holding was accounted for as an investment in the company using IAS 27 and under equity method accounting (IAS 28) in the group. All fair value changes in the movement of the investment, which is carried in foreign currency, were dealt with in other comprehensive income. On disposalof this investment, the resulting gain arising from this have been recognised in the profit or loss as at period end 31st March 2017. (see note 7)

In the separate financial statements of Cappa and D'Alberto Plc,the carrying amount of the investments before the disposal has been compared with the disposal proceeds with the resulting gain or loss recognised in the profit or loss.(see note 7)

	N' 000	N' 000	N' 000	N' 000
26 Investments in subsidiaries				
Stone Road Properties Limited	-	-	416	416
Igbobi Development Company Limited	-	-	170	170
Balance 31st March	-	-	586	586

The subsidiaries of the Company are wholly owned and are real estate entities. The investment of the company in these subsidiaries have been accounted for in accordance with the requirements of IFRS 10 and IAS 27 and not in accordance with IFRS 9. No exceptions offered by IFRS 10 and IAS 27 which permit an entity to account for an interest in its subsidiary in accordance with IFRS 9 has been taken or applied for the period ended 31st March 2017.

		N' 000	N' 000	N' 000	N' 000
27 Financial instruments - assets					
Available for sale equities					
Quoted securities	(See Note 16)				
As at 1st April		3,510	11,487	1,773	5,804
Stock Dividend		-	-	-	-
Disposals		-	-	-	-
Fair value gains/(losses)		1,095	(7,977)	443	(4,031)
Balance 31st March		4,605	3,510	2,217	1,773
27.1 Unquoted securities	(See Note 16)				
As at 1st April		3,483	4,402	3,483	4,402
Fair value gains/(losses)		(149)	(919)	(149)	(919)
Balance 31st March		3,334	3,483	3,334	3,483
Available for sale equities - total 31st March		7,938	6,993	5,551	5,256

AFS Financial Assets - This category of financial instruments encompasses investments in other entities other than subsidiaries, associates and jointly controlled entities. Notwithstanding these are carried at fair values in the financial statements. The changes in their fair values are recognized in other comprehensive income under available for sale reserves. In certain confirmed cases of existence of objective evidence of impairment e.g. perpetual decline in values, the full amount of impairment including any previously recognized in other comprehensive income is recognized in profit or loss. The component of this classification bucket relating to unquoted equities have been initially stated at cost but were fair valued using the year's average market price of comparable stocks from the Over-the-Counter-Market and where not available, a valuation based on the average of five years' dividend received from the company at the company's annual rate of return to confirm or establish any form of impairment.

Notes to the Financial Statements

27.2 Financial instruments (cont'd)

The financial instruments of the group have in accordance with the provisions of IFRS 7 on disclosures relating to financial instruments and IAS 32 on presentation of financial instruments and IAS 39 on recognition and measurement of financial instruments and the related accounting policies adopted by the company have been so treated to align with the requirements of the standards governing financial instruments. For this purpose the following classifications have been made:

- Financial assets held to maturity and measured at amortized cost - the financial assets classified under this category are those held by the company and it is established that the company usually holds such investments as part of its investment model and has the capacity and the intention to hold the investments until maturity.
- Available for sale unquoted equity securities of other entities - these have been grouped along with "available for sale" but delineated as such and have been fair valued at period ends using the obtainable information of that equity or similar equities available on the "Over-the-Counter" market or such other valuation based on five year dividend payment.
- Available for sale equity securities measured at fair value through profit or loss - these are equities of other entities listed in an active market held by the company and deriving from the investment model and objectives of the company, the intention is not to take short term gains or profits deriving from the stock price movements of the equities on the Stock Exchange and where no evidence of such has been established. The movement in the fair values of these equities are warehoused in AFS Reserves.
- Financial assets designated as held for trading and measured at fair value - these are equities of other entities held by the company and traded on an active market and held by the company for the purpose of making short term gains deriving from the stock price movements of those equities.
- Financial liabilities measured at amortized cost- other financial obligations of the company to other entities other than financial liabilities measured at fair value through profit or loss.

Loans and receivables - this category comprise non-derivative financial assets with fixed or determinable payments and are not quoted in an active market.

	Group	Group	Company	Company
27.3 2017	Gains	Losses	Gains	Losses
Fair value gains/losses recognized on financial instruments	N' 000	N' 000	N' 000	N' 000
Available for sale equitiy securities measured at fair value				
through Other Comprehensive Income	1,095	(149)	443	(149)
Financial assets measured at fair value recognized in profit or loss	-	-	-	-
Financial assets measured at fair value	-	-	-	-
Financial liabilities-Forward contract cashflow hedges	-	-	-	
recognized in Other Comprehensive Income	-	-	-	-
	1,095	(149)	443	(149)
2016	Gains	Losses	Gains	Losses
Fair value gains/losses recognized on financial instruments	N' 000	N' 000	N' 000	N' 000
Available for sale equitiy securities measured at fair value				
through Other Comprehensive Income	-	(8,896)	-	(4,950)
Financial assets measured at fair value recognized in profit or loss	-	-	-	-
Financial assets measured at fair value	-	(3,570)	-	(3,570)
Financial liabilities-Forward contract cashflow hedges	-	-	-	-
recognized in Other Comprehensive Income	-	-	-	-
	-	(12,466)	-	(8,519)

27.4 Reclassification of financial assets

For the reporting period ended 31st March 2017, the group has not reclassified any financial asset previously measured at fair value to amortised cost measurement basis. Accordingly there were no fair value gains or loss that would have been recognised if the financial asset have not been reclassified.

27.5 Financial assets pledged as collateral

The group did not pledge or hypothecate any of its financial assets for loans or allied credit facilities with financial institutions or other entities during the year and no subsisting contract exists as at end of the reporting period 31st March 2017 that created an encumbrance on the group's financial asets.

27.6 Financial assets measured at fair value through Other Comprehensive Income

With respect to the financial assets (equities) of the company designated as 'Available for sale' and measured through other comprehensive income, the following details and information are relevant:

i The nature of the financial assets

The equities measured through Other Comprehensive Income at fair value relate to the group's holdings in First City Monument Bank Plc, a second generation bank in Nigeria whose stocks are listed and traded on the Nigerian Stock Exchange. The group holds total units of 3.988.660 in the bank as at the end of the reporting period 31st March 2017. The parent owns 2,015,260 units while one of the subsidiaries Igbobi Development Company Limited owns 1.973.400 units.

ii Basis of designation/classification

The group has designated this equity holdings in First City Monument Bank Plc as available for sale through other comprehensive income in line with the group's holding objective and investment model in the bank. The group does not have the intention to hold the equities for short term gains and the group has not sold any of its holdings in this bank since acquisition date neither has it taken any profits on the equities arising from favourable price movements on the Nigerian Stock Exchange. The group's objective is to hold these shares into the forseeable future.

Notes to the Financial Statements

27.7 Financial instruments (cont'd)

iii Fair value gains recognized

The fair value gain recognized in other comprehensive income for the equities held in First City Monument Bank Plc during and as at the end of the reporting date 31st March 2017 was N443,357.20 for the company and N651,222 for the subsidiary.

iv Dividends

The bank (First City Monument Bank) has declared a dividend of =N=0.10K per share for its operating period ended 31st December 2016 . For the group the cash dividend receivable and recognized in these financial statements was =N=398,866 gross. The group has not de-recognized any of its investments held in this class of financial assets, therefore no dividend had accrued to the group from de-recognized financial assets under this classification.

Clay Industry Nigeria Limited declared and paid a dividend of N609,513 to Cappa and D'Alberto Plc on its results for the financial period ended 31st January 2016. This has been recognized gross in profit or loss. No component of this holding has been derecognized in the period. Clay Ind. Nigeria Limited is a manufacturing entity based in Lagos.

v Fair value valuation basis

The holdings of the group in First City Monument Bank plc measured at fair value through other comprehensive income have been valued under the level 1 fair value valuation hierarchy - the price of the equities have been derived from an active market without any further adjustment (Nigerian Stock Exchange) as at the end of the trading day 31st March 2017. The Group's holding in Clay Industry Nigeria Limited has been valued under Level 3 with inputs from the investee's dividends trend.

27.8 Movements in financial instruments

	Group	Group	Company	Company
	2017	2016	2017	2016
	N' 000	N' 000	N' 000	N' 000
Financial assets measured at amortized cost				
As at 1st April	247,775	239,408	247,775	239,408
Additions	-	11,937	-	11,937
Disposals	(247,775)	-	(247,775)	-
Remeasurement gain /loss	-	(3,570)	-	(3,570)
Balance 31st March	-	247,775	-	247,775
Financial liabilities measured at amortized cost				
As at 1st April	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Balance 31st March	-	-	-	-
Financial instruments measured at fair value through profit or loss				
As at 1st April	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Remeasurement gain /loss	-	-	-	-
Balance 31st March	-	-	-	-
Movements in the Financial instruments measured at fair value through other comprehensive income				
As at 1st April	6,992	16,210	5,256	10,205
Additions	-	-	-	-
Fair value gains/loss	946	(9,218)	294	(4,948)
Disposals	-	-		-
Balance 31st March	7,938	6,992	5,551	5,256

Certain financial assets of the group have been designated as available for sale and are re-measured through other comprehensive income. Arising gains or loss as a result of these are reported in the other comprehensive income with their carrying value stated at marked -to- market values as at the 31st March 2017.

Notes to the Financial Statements

		Group 2017 N' 000	*Restated* Group 2016 N' 000	Company 2017 N' 000	*Restated* Company 2016 N' 000
28	Financial instruments-debt securities				
	Carrying amount of financial assets (1st April)	247,775	239,408	247,775	239,408
	Capitalized interest	-	11,937	-	11,937
	Exchange differences gains/(losses)	-	(3,570)	-	(3,570)
	Disposal during the year	(247,775)	-	(247,775)	-
	Revalued carrying amount (31st March)	-	247,775	-	247,775
	Amortized carrying amount of financial assets	-	247,775	-	247,775
				-	
	Recognized in other comprehensive income (See Note 16.2)	-	-	-	-

The debt instruments held by the group relates to the 10 year debenture issued by KLAFG06 Limited with a fixed and floating rate based on LIBOR. The security is denominated in foreign currency and repayable in foreign currency. The bond investment does not form part of the net open investment of the group in the foreign associate.During the year the group disposed off this debt instrument in its portfolio. Gain arising from this disposal have been accounted for in profit or loss as at 31st March 2017.

		N' 000	N' 000	N' 000	N' 000
29	Trade payables				
	Contracts payments received in advance	15,835,398	18,044,743	15,835,398	18,044,743
	Trade payables	773,043	1,306,087	759,669	1,290,814
		16,608,440	19,350,829	16,595,066	19,335,557
30	Other payables				
	Value added tax payable	(7,186)	4,936	(7,186)	(1,581)
	Staff pensions due to PFAs	23,802	51,490	23,802	51,490
	Impairment allowance account	-	32,877	-	32,877
	Other sundry creditors	9,418	70,337	3,892	65,990
		26,035	159,639	20,508	148,775
30.1	Staff pensions due to PFAs				
	As at 1st April	51,490	58,525	51,490	58,525
	Contributions during the year	131,041	222,975	131,041	222,975
		182,531	281,500	182,531	281,500
	Remittances during the year	158,729	230,010	158,729	230,010
	Balance as at 31st March	23,802	51,490	23,802	51,490
30.2	Value added tax				
	As at 1st April	4,927	34,279	(1,581)	34,179
	Output VAT during the year	1,138,339	1,454,159	1,144,847	1,454,159
		1,143,266	1,488,438	1,143,266	1,488,338
	Input VAT & source deductions during the year	(859,419)	(1,845,398)	(859,419)	(1,127,882)
	Remittances during the year	(291,040)	361,887	(291,040)	(362,037)
	Balance as at 31st March	(7,194)	4,927	(7,194)	(1,581)
31	Dividend payable				
	As at 1st April	37,761	38,405	37,761	38,405
	Dividend declared during the year	319,922	255,938	319,922	255,938
		357,683	294,343	357,683	294,343
	Interest earned on investments	14,107	11,778	14,107	11,778
	Dividend paid during the year	(325,695)	(268,360)	(325,695)	(268,360)
	Balance as at 31st March	46,095	37,761	46,095	37,761

In accordance with the provisions of the Investment and Securities Act 2007 the group maintains a dedicated bank account for unclaimed dividends the balance of which is invested in fixed deposit with United Bank of Africa Plc. Income deriving therefrom is included in the balance of unclaimed dividend fund as at the end of the reporting period 31st March 2017. The schedule of beneficiaries is included as a separate report and published along with the annual report to shareholders. Furthermore, in accordance with SEC Rule 42, the report of unclaimed dividends are compiled on half yearly basis by the Registrar and filed with the Commission.

Notes to the Financial Statements

	Group 2017	*Restated* Group 2016	Company 2017	*Restated* Company 2016
32 Balances due to related parties	N' 000	N' 000	N' 000	N' 000
Stone Road Properties Limited	-	-	-	-
Igbobi Development Co. Limited	-	-	-	-
Clay Industry Nigeria Limited	1,301	263	1,301	263
	1,301	263	1,301	263

32.1 Related party transactions and balances

See Note 55	Igbobi Development Company Limited	Stone Road Properties Ltd	Clay Industry Nig Limited	KLAFG06 Limited
Transactions and balances - 31st March 2017				
	N' 000	N' 000	N' 000	N' 000
Upstream- transactions from related parties	150	-	25,919	4,021
Downstream - transactions to related parties	1,229	1,339	12,437	-
Total value of related party transactions	1,379	1,339	38,356	4,021
Trade balances due to related parties	-	-	1,301	-
Trade balances due from related parties	-	-	9,352	7,354
Loans/Debentures outstanding to related parties - 31st March	-	-	-	-
Loans/Debentures due from related parties - 31st March	-	-	-	-

32.2 Related party transactions and balances

See Note 55	Igbobi Development Company Limited	Stone Road Properties Ltd	Clay Industry Nig Limited	KLAFG06 Limited
Transactions and balances - 31st March 2016				
	N' 000	N' 000	N' 000	N' 000
Upstream- transactions from related parties	461	-	30,866	-
Downstream - transactions to related parties	1,916	2,258	25,794	3,249
Trade balances due to related parties	-	-	263	-
Trade balances due from related parties	-	-	5,487	-
Loans/Debentures outstanding to related parties - 31st March	-	-	-	-
Loans/Debentures due from related parties - 31st March	-	-	-	247,775

All unrealized intercompany transactions and balances other than the debt security held by the group in KLAFG06 Limited which has not been deemed as part of the net open investment in the foreign associate, have been cancelled out on consolidation. The results of Clay Industry Nigeria Limited has not been consolidated in the group financial statements.

	N' 000	N' 000	N' 000	N' 000
33 Bank overdrafts				
United Bank for Africa Plc	-	27,844	-	27,844
Guaranty Trust Bank Plc	97,041	69,563	97,041	69,563
Diamond Bank Plc	75,888	24,087	75,888	24,087
Stanbic IBTC	21,301	-	21,301	-
Carrying amount 31st March	194,230	121,494	194,230	121,494

The group has a contracted overdraft facility with United Bank for Africa Plc of N60.0 million with an applicable interest rate of 14.5% which the bank reserves the right to change and apply under the terms of the contract without recourse to the company. The overdrawn balances on the other bank accounts are temporary over-night overdrafts which were regularized subsequent to period end.

	N' 000	N' 000	N' 000	N' 000
34 Taxation				
Per Statement of Financial Position				
As at 1st April	611,753	491,978	609,773	489,945
Tax Adjustment/transfers	-			-
Charge for the year	621,633	611,758	617,377	609,778
Defrayment with withholding tax credit notes	(550,850)	(447,315)	(550,850)	(447,315)
Tax paid	(46,210)	(44,668)	(44,230)	(42,635)
Balance 31st March	636,327	611,753	632,071	609,773

Notes to the Financial Statements

	Group	Restated Group	Company	Restated Company
	2017	2016	2017	2016
35 Deferred taxation	N' 000	N' 000	N' 000	N' 000
As at 1st April	354,043	607,065	351,542	605,192
Deferred tax (reversals) /charges in the year	742,921	(253,022)	743,362	(253,650)
Tax relating to components of other comprehensive income	4,061	-	4,061	-
Balance 31st March	1,101,025	354,043	1,098,965	351,542

Deferred tax has been calculated using the liability method and the resulting tax liability reflects the consequences of the manner in which the company and group intend to recover or settle the carrying amounts of their assets and liabilities at period end. The applicable recovery tax rates have been used in calculating the tax due. IAS 12 permits the recognition of deferred tax assets to the extent to which it is probable that future taxable profits will be available against which this can be offset. The group has not recognized deferred tax assets (net) in the financial statements for the period ended 31st March 2017.

	2017	2016	2017	2016
	N' 000	N' 000	N' 000	N' 000
36 Authorized share capital				
400,000,000 units of ordinary shares of =N=0.50k each	200,000	200,000	200,000	200,000
36.1 Issued and fully paid share capital				
246,093,750 units of ordinary shares of =N=0.50K each	123,047	123,047	123,047	123,047

The group has only one class of shares, and a total units of 400,000,000 of the authorized share capital of the company has been issued and fully paid by the allotees in cash and other forms of payment.The details of the beneficiary equity holders in the company is disclosed in the directors report. All changes in shareholdings in the Company and notices of transmission of shares are documented in the register of members administered by the Registrars to the Company African Prudential Registrars Limited.

		2017	2016	2017	2016
37 Withholding tax credit notes	See Note 19	N' 000	N' 000	N' 000	N' 000
As at 1st April		1,407,276	2,234,527	1,405,792	2,233,227
Additions during the year		1,272,831	413,438	1,272,630	413,254
Claims against income tax		550,850	447,315	550,850	447,315
		2,129,257	2,200,650	2,127,572	2,199,166
Less: Impairment charges b/fwd		793,374	643,374	793,374	643,374
Impairment charges in the year		250,000	150,000	250,000	150,000
Accumulated impairment charges		1,043,374	793,374	1,043,374	793,374
Balance 31st March		1,085,883	1,407,276	1,084,198	1,405,792

Withholding tax provisions embedded within the Companies and Income Tax Act - 2007 mandates the clients of the company to deduct withholding tax at the prescribed rate from the progress payments and certification invoices of the company. The deductions are evidenced by withholding tax credit notes subsequently received from the Federal Inland Revenue Service. The deductions are deemed as advance payments of company income tax and are available as tax offset for this component of tax only. The carrying amount of this tax asset is perpetually in excess of the actual tax liability due on operations and the excesses have accumulated over the years. The tax asset is evaluated for impairment at period end and identified impaired balances are charged to profit or loss and disclosed separately.

	Group	Group	Company	Company
	2017	2016	2017	2016
38 Operating profits before tax	N' 000	N' 000	N' 000	N' 000
This is stated after charging/(crediting) the following:				
Depreciation and Amortization charges (exc'd tools)	488,860	737,245	484,840	732,014
Exchange differences	2,837,430	150,616	2,837,430	150,616
Bad and doubtful debts provisions	-	-	-	-
Loss/(profits) on sales on non financial assets	7,041	5,800	7,041	5,800
Interest income	850,756	737,508	847,397	734,778
Audit fees	11,595	9,617	10,675	8,571
Directors' emoluments:				
Fees as directors	1,550	2,200	1,500	2,000
Other directors' emoluments	181,349	118,499	181,349	118,499

Notes to the Financial Statements

		Group 2017 N' 000	Group 2016 N' 000	Company 2017 N' 000	Company 2016 N' 000
39	Supplementary information relating to directors and employees				
39.1	Directors				
	Directors' emoluments is comprised of :				
	Chairman	1,848	1,948	1,848	1,848
	Other directors	181,051	118,751	181,001	118,651
		182,899	120,699	182,849	120,499
	Fees earned as directors	1,550	2,200	1,500	2,000
	Other emoluments	181,349	118,499	181,349	118,499
		182,899	120,699	182,849	120,499

Directors fees are only accrued and paid to non executive directors serving on the board of directors of the constituent entities in the group. The executive directors nominated by Cappa and D'Alberto Plc to serve on the Boards of the subsidiaries in ex-officio capacities are not paid directors fees.The executive directors receive emoluments and are not further remunerated in any form.

39.2 The number of the Group's directors excluding the Chairman whose emoluments are within the following ranges are as follows:

		=N=	=N=	2017 number	2016 number
		50,000	200,000		-
		200,001	500,000	2	3
		500,001	2,000,000	1	1
		2,000,001	5,000,000	-	-
		5,000,001	9,000,000	-	-
		9,000,001	and above	5	5
39.3	The number of directors who had no emoluments			Nil	Nil
39.4	The highest paid director earned total emoluments of (in N'000)			37,000	20,400

		2017 Number	2016 Number	2017 Number	2016 Number
39.5	Employees				
	The average number of staff employed by the group in the financial year ended 31st March 2017 and the relative staff cost by cadre are as follows:				
	Managerial staff	22	22	22	22
	Senior staff	82	82	82	82
	Junior staff	1,048	1,448	1,048	1,448
	Daily contract staff	885	990	885	990
		2,037	2,542	2,037	2,542
		N' 000	N' 000	N' 000	N' 000
39.6	Staff salaries, wages and other benefits	478,044	359,158	478,044	359,158
	Staff severance benefits	8,459	10,499	8,459	10,499
	Total staff costs for the year	486,504	369,657	486,504	369,657

39.7 The number of employees other than directors remunerated at higher rates are as follows:

See Sch 2	100,000	-	150,000	-	-	-	-
	150,001	-	200,000	-	-	-	-
	200,001	-	250,000	5	6	5	6
	250,001	-	300,000	-	-	-	-
	300,001	-	350,000	60	146	60	146
	350,001	-	400,000	69	569	69	569
	400,001	-	450,000	464	449	464	449
	450,001	-	500,000	293	227	293	227
	500,001	-	550,000	180	261	180	261
	550,001	-	600,000	168	165	168	165
	600,001	-	650,000	142	124	142	124
	650,001	-	700,000	52	113	52	113
	700,001	-	750,000	129	104	129	104
	750,001	-	Above	475	378	475	378
			Total	2,037	2,542	2,037	2,542

Notes to the Financial Statements

	Group		Company	
	2017	2016	2017	2016
	N' 000	N' 000	N' 000	N' 000
40 Reconciliation of Net Profit to net Cash provided by operating activities				
Operating profit after tax	3,338,407	970,951	3,311,312	968,406
Adjustments to reconcile net profit to net cash provided				
Depreciation charges	852,658	905,727	848,639	900,496
Amortization of intangible assets	520	520	520	520
Bank Interest received	(850,756)	(737,508)	(847,397)	(734,778)
Dividend received	(1,008)	(867)	(791)	(689)
Interest Paid	26,447	33,880	26,447	33,880
Investment income	-	-	-	
Profit on sale of non-financial assets	(7,041)	(5,800)	(7,041)	(5,800)
Profits/(loss) on sale of associate	(37,495)	-	(17,366)	-
Profits/(loss) on sale of debenture	(203,942)	-	(203,942)	
Provisions and oci items	21,698	(15,398)	21,698	(15,398)
Fair value changes	(294)	(8,368)	(294)	(8,368)
Loss on sale of fixed assets	-	-		-
Staff severance benefits provisions	8,459	10,499	8,459	10,499
	3,147,654	1,153,636	3,140,245	1,148,768
Changes in assets and liabilities:				
(Increase) / decrease in inventory	(632,416)	(274,074)	(632,416)	(274,074)
(Increase) / decrease in trade receivables	31,195	1,387,232	30,237	1,393,374
(Increase) / decrease in other debtors and prepayments	280,255	295,200	280,381	296,142
(Increase) / decrease in related party balances	(11,219)	8,838	(11,219)	8,838
Increase / (decrease) in trade payables	(2,827,192)	870,054	(2,826,529)	868,816
Increase / (decrease) in other payables	(50,725)	164,349	(50,669)	161,289
(Increase) / Decrease in related party balances	1,037	(3,761)	1,037	(3,761)
Increase / (decrease) in taxation	24,573	119,775	22,298	119,828
Increase / (decrease) in deferred taxation	746,982	(253,023)	747,423	(253,650)
	-	-		
Net cash provided by operating activities	710,145	3,468,226	700,788	3,465,570

41 Reconciliation of Cash and cash equivalents

Cash at bank	19,141,917	18,547,614	19,078,774	18,497,335
Cash at hand	15,974	19,109	15,606	18,808
Bank overdrafts	194,230	121,494	194,230	121,494
Balance 31st March	18,963,661	18,445,229	18,900,149	18,394,649

For the purpose of IAS 7 translations at period end exchange differences relating to cash and cash equivalents have been included in cash and cash equivalents. Optionally this could have been separately stated in the cash flow statement as a separate line for differentiation purposes.

The cash and cash equivalents comprised only cash and short term bank deposits not otherwise accounted for in investing activities and all overdrawn bank balances under contracted overdraft facility with an operating line of N60.0 million in United Bank for Africa Plc and other temporary overdrafts. These are liquid and highly liquid financial instruments that are convertible to cash at short notice with insignificant loss in value on conversion. No components of the group's cash and cash equivalents are held in jurisdictions that offer restrictive access to those funds except those restrictions that were temporarily imposed on domiciliary accounts by the Central Bank of Nigeria in the course of the period which have been significantly rolled back post period end.

Notes to the Financial Statements

42 Work - In- Progress

	Profits Recognized N' 000	Value of Work in Progress 31st March 2017 N' 000	Advance payment received N' 000	Progress Payments received to date N' 000	Retentions on progress payments N' 000
Standard Chartered Bank	4,545	45,453	-	749,355	-
Bankers Warehouse	5,491	91,521	-	-	-
MTN Nig Plc	22,051	245,015	991,920	2,106,422	121,952.78
Triton Trust Ltd - Seattle Court	10,938	15,626	282,571	1,575,274	-
MTN-LASWA Head office	40,925	40,925	-	607,282	31,051.34
Holycross Cathedral	2,730	27,298	227,486	-	-
	86,681	465,839	1,501,977	5,038,333	153,004

	2017 N' 000	2016 N' 000
42.2 Retentions on Contracts:		
Aggregate retentions outstanding on all contracts as at 31st March	171,398	81,188
Aggregate retentions claimed against bonds in the period	238,866	2,742,977

The financial information provided here in respect of contracts work in progress is pursuant to paragraph 40 of IAS 11. The profit recognized to date in respect of these contracts have been based on the percentage of completion method. No losses have been recognized in respect of these contracts.

	Group 2017 N' 000	Group 2016 N' 000	Company 2017 N' 000	Company 2016 N' 000
43 Advance payment bonds, performance bonds & Retention bonds on contracts:				
Advance payment guarantees	23,012,032	23,954,332	23,012,032	23,954,332
Performance bonds	2,388,472	2,474,720	2,388,472	2,474,720
Retention bonds	2,636,980	4,891,964	2,636,980	4,891,964
Total exposure to clients on contracts	28,037,484	31,321,016	28,037,484	31,321,016
Indemnity:				
Advance payment bonds, performance bonds & Retention bonds received from Sub-contractors on contracts:				
Advance payment guarantees	5,752,340	7,026,341	5,752,340	7,026,341
Performance bonds	589,948	829,852	589,948	829,852
Retention bonds	396,161	1,152,831	396,161	1,152,831
	6,738,448	9,009,024	6,738,448	9,009,024
Net - open exposure on bonds	21,299,036	22,311,993	21,299,036	22,311,993

The company provides advance payment guarantees (APG) and insurance bonds on all contracts for the release of advance payments by the clients at the commencement of the contract and performance bonds subsequently for duration of the contract. these bonds are taken globally for the contracts by the company and hedges the risks associated with non performance by the subcontrcators on the projects by requesting counterpart APG and performance bonds on subcontracts given out on each of the contracts. The client reserves the right to call-in the bond without recourse to the Company for non-performance. The information above states the net exposure of the company in respect of on-going contracts as well as the recourse availabe to the company from sub-contracting activities on contracts. Retention bonds are secured for the client for claims made by the company on retentions on contracts ahead of due release date to guarantee the required attandance and rectification works during the "defects liability" period on contracts. The same is provided to the company by subcontrcators claiming retentions of subcontrcats ahead of due release date from the company. An allowance account is operated for the rectification works and attandance during the defect liability period.

Notes to the Financial Statements

	Group 2017 N' 000	Group 2016 N' 000	Company 2017 N' 000	Company 2016 N' 000
44 Reconciliation of income tax expense				
Operating profit before tax per profit or loss	4,702,961	1,329,687	4,672,052	1,324,534
Expected income tax on profits at Nigerian tax rate of 30%	1,410,888	398,906	1,401,615	397,360
Reconciliation items	-		-	-
Education tax expense	53,650	37,030	53,354	37,030
Caital gains tax	14	34	14	34
Effects of secondary and irrecoverable taxes	-	18,313	-	18,313
Effects of permanent differences	9,745	1,477	9,745	-
Effects of recognized temporary differences	78,937	252,880	78,937	251,872
Effects of group disposal item	(6,039)	-	-	-
Effects of depreciation	255,953	219,604	254,748	219,604
Effects of income excluded from tax	(945,215)	(110,350)	(944,737)	(110,350)
Effects of tax allowable gratuity expense	-	(867)	-	-
Effects of capital allowances	(238,446)	(115,078)	(238,444)	(113,736)
Effects of balancing charges on assets disposed	2,146	1,650	2,146	1,650
Effects of deferred tax	742,921	(344,863)	743,362	(345,649)
Income tax expense- Recognized in Statement of Comprehensive Income	1,364,554	358,736	1,360,740	356,128
Effective tax rate	29%	27%	29%	27%

44.1 The applicable tax rates used for the 2017 and 2016 reconciliation of income tax expense are as stated below:

	2017	2016	2017	2016
Company income tax	30%	30%	30%	30%
Education tax	2%	2%	2%	2%
Capital gains tax	10%	10%	10%	10%

45 Deferred tax analysis - Group 2017	1st April N' 000	Recognized in Equity N' 000	Recognized in Profit or loss N' 000	Disposals/ Acquisitions N' 000	Balance 31st Mar. N' 000
Relating to:					
Property, plant and equipment	343,594	(4,061)	(96,678)		242,855
Provisions	(14,676)	-	13,508	-	(1,168)
Investment property	1,301	-	86,360	-	87,661
Revaluations	-	-		-	-
Cash and Bank balances	45,218		806,011		851,229
Retention Bond allowance	-	-		-	-
Tax losses	-	-		-	-
Others	(23,895)	-	(55,657)	-	(79,552)
Total	351,543	(4,061)	753,544	-	1,101,025

45.1 Deferred tax analysis - Company 2017	1st April N' 000	Recognized in Equity N' 000	Recognized in Profit or loss N' 000	Disposals/ Acquisitions N' 000	Balance 31st Mar. N' 000
Relating to:					
Property, plant and equipment	343,594	(4,061)	(96,259)		243,274
Intangible asset	-	-	22	-	22
Investment property	1,301	-	86,360		87,661
Cash and Bank balances	45,218	-	806,011	-	851,229
Revaluations					
Provisions	(14,676)	-	13,508	-	(1,168)
Tax credit	-	-		-	-
Others	(23,894)	-	(58,159)	-	(82,053)
Total	351,543	(4,061)	751,483	-	1,098,965

Notes to the Financial Statements

	2016	2016	***Restated*** 2015	***Restated*** 2015
	GHC	N' 000	GHC	N' 000
46 Associate financial summary				
KLAFG06 Limited				
Aggregate sales	2,001,142	145,043	984,405	51,071
	-	-		
Loss for the year	2,168,578	157,179	2,985,818	154,904
	-	-		
Aggregate assets	11,995,051	869,401	11,125,625	577,197
	-	-		
Aggregate liabilities	29,965,186	2,171,877	26,931,557	1,397,209
	-	-		
Equity and equity reserves	(17,970,135)	(1,302,475)	(15,805,932)	(820,012)

The balances in GHC were translated at the closing rate of N72.48 to GHC1.00 in 2016 and N51.88 to GHC1.00 as at the end of the financial year 2015.

Comprised in the aggregate liability is a debenture loan of GHC 22,499,100.00 which in the current year was disposed by the group.See note 28

In consolidating the results of the foreign associate using the equity method as provided in IAS 28 the group has not made any adjustments to the financial statements and results of the associate for any significant adjustments precipitated by the disparity in the different accounts reporting cycle employed by the associate and the group. The group's period end is 31st March while the associate's is 31st December giving a three month gap. Where necessary the group adjusts the financial statements of the associate in the consolidation process.

47 Financial instruments - Group 2017 Age analysis	Balance as at 31st March 2017	0 - 30 days	31 - 90 days	91-180days	Over 180 days
Available for sale securities - quoted	4,605				4,605
Accounts receivable	4,518,527	-	4,353,987	-	164,540
Accounts payable	16,608,440	-	15,935,361	-	673,079
Bank term deposits	-	-	-	-	-
Cash and bank	19,157,892	19,157,892	-	-	-
Bank overdraft	194,230	194,230	-	-	-
Financial assets - debt securities	-	-	-	-	-
Financial assets - unquoted equities	3,334	-	-	-	3,334

47.1 Financial instruments-Company 2017 Age analysis	Balance as at 31st March 2017	0 - 30 days	31 - 90 days	91 - 180 days	Over 180 days
Available for sale securities - quoted	2,217				2,217
Accounts receivable	4,506,829	-	1,352,049	2,028,073	1,126,707
Accounts payable	16,595,066	14,935,560	-	-	1,659,507
Bank term deposits	-	-	-	-	-
Cash and bank	19,094,380	15,606	19,078,774	-	-
Bank overdraft	-	-	-	194,230	-
Financial assets - debt securities	-	-	-	-	-
Financial assets - unquoted equities	3,334	-	-	-	3,334

The transaction performance dates of the various components of each class of financial instruments have been used in the age analysis as constituting the date in which the underlying financial obligation arose.

Notes to the Financial Statements

48 Fair value of financial instruments

Fair value is the price to be received to sell an asset or paid to transfer a liability in an orderly transaction between knowledgeable market participants at the measurement date. The group uses the fair value hierarchy as stated in the accounting policy { Levels 1; 2 and 3 }. There have been no transfers between fair value levels during the reporting period.

48.1 Financial assets - Group 2017

		Level 1	Level 2	Level 3	Carrying amount
48.1.1	Fair value through profit or loss	N' 000	N' 000	N' 000	N' 000
	Equity securities	-	-	-	-
	Debt securities	-	-	-	-
	Derivative contracts	-	-	-	-
		-	-	-	-
48.1.2	Available for sale				
	Equity securities - quoted	4,605	-	-	4,605
	Equity securities - unquoted		3,334	-	3,334
	Debt securities	-	-	-	
		4,605	3,334	-	7,938
48.1.3	Held to maturity				
	Loans and bonds	-	-	-	-
	Bank term deposits	-	-	-	-
	Commercial papers	-	-	-	-
		-	-	-	-
48.1.4	Loans and receivables				
	Loans to related parties	-	-	-	-
	Loans to third parties	-	-	-	-
	Loans to staff	-	-	442	442
		-	-	442	442
48.1.5	Other financial assets				
	Trade receivables	-	-	4,518,086	4,518,086
	Other receivables	-	-	2,478	2,478
	Cash and cash equivalents	-	19,157,892	-	19,157,892
		-	19,157,892	4,520,564	23,678,456
48.2.1	Financial liabilities				
	Fair value through profit or loss	-	-	-	-
	Derivative contracts	-	-	-	-
48.2.2	Amortized cost				
	Bank borrowings	-	-	-	-
	Debentures and bonds	-	-	-	-
	Bank overdrafts	-	194,230	-	194,230
		-	194,230	-	194,230
48.2.3	Other financial liabilities				
	Trade payables	-	-	16,608,440	16,608,440
	Other payables	-	-	26,035	26,035
	Lease obligations	-	-	-	-
		-	-	16,634,475	16,634,475

Notes to the Financial Statements

49 Fair value of financial instruments {cont'd}

49.1 Financial assets - Company 2017

		Level 1	Level 2	Level 3	Carrying amount
49.1.1	Fair value through profit or loss	N' 000	N' 000	N' 000	N' 000
	Equity securities	-	-	-	-
	Debt securities	-	-	-	-
	Derivative contracts	-	-	-	-
		-	-	-	-
49.1.2	Available for sale				
	Equity securities - quoted	2,217	-	-	2,217
	Equity securities - unquoted	-	3,334	-	3,334
	Debt securities	-	-	-	-
		2,217	3,334	-	5,551
49.1.3	Held to maturity				
	Loans and bonds	-	-	-	-
	Bank term deposits	-	-		-
	Commercial papers	-	-	-	-
		-	-	-	-
49.1.4	Loans and receivables				
	Loans to related parties	-	-	-	-
	Loans to third parties	-	-	-	-
	Loans to staff	-	-	442	442
		-	-	442	442
49.1.5	Other financial assets				
	Trade receivables	-	-	4,506,829	4,506,829
	Other receivables	-	-	2,301	2,301
	Cash and cash equivalents	-	19,094,380	-	19,094,380
		-	19,094,380	4,509,130	23,603,509
49.2.1	Financial liabilities				
	Fair value through profit or loss	-	-	-	-
	Derivative contracts	-	-	-	-
49.2.2	Amortized cost				
	Bank borrowings	-	-	-	-
	Debentures and bonds	-	-	-	-
	Bank overdrafts	-	194,230	-	194,230
		-	194,230	-	194,230
49.2.3	Other financial liabilities				
	Trade payables	-	-	16,595,066	16,595,066
	Other payables	-	-	20,508	20,508
	Lease obligations	-	-	-	-
		-	-	16,615,575	16,615,575

Level 1 valuation is the price of the related financial instruments obtained from an active market and unadjusted. For the purpose of this all securities traded on the OTC market have equally been classified as Level 1.

50. Inventory (See Note 17)

This comprised building materials, goods in transit, staff uniforms, work-in-progress, fuel and oil, allied tools and building accessories. The cost elements of these items of inventories are inclusive of all costs which have been directly incurred in bringing the items to their present location and condition as adjusted for the impact of measurement at net realizable value at the end of the reporting period.

The Directors of the company have not pledged any of these items or category thereof in either fixed or floating collateral arrangements as security for any liabilities or loans and no adjustment has been made in these financial statements for any reversal of previous write-downs. Where an increase in previous write-downs of carrying amounts of items of inventory occurs, the company by policy recognizes this as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

51. Group cashflows and cash and cash equivalents

As at the end of the reporting period, there are no cash balances held by the company and its subsidiaries that are not available for use by the group. There are also no legal or regulatory restrictions on the cash balances held by the Group save for the exchange control restrictions on the domiciliary accounts balances held by entities in Nigeria as issued by the Central Bank of Nigeria. This policy has been significantly rolled back at the end of the reporting period.

The company has not secured any structured facilities or loans from any financial institutions to finance its operations except those relating to short term overdrafts. The balance on overdraft facility secured from United Bank for Africa is shown on note 33. The other overdrawn balances resulted from a transactional gap between the movement of funds from short term deposit accounts and current accounts from which operational disbursements are made which technically do not amount to an overdraft.

52. Property plant and equipment

The Management reviewed and changed the accounting policy relating to the depreciation of property plant and equipment from the "diminishing balance method" to the "straight line method". The effect of this change has been accounted for in accordance with IAS 8 which compelled the **restatement** of the financial statements for 2015/2016.

During the financial year ended 31st March 2017, the company did not acquire any items of property, plant and equipment through business combinations. No class of the company's property plant and equipment was revalued during the reporting period. Impairments to the carrying amounts of items of property, plant and equipment were individually assessed by item class and line by line assessment only. These were subsequently tested for impairments in the reporting period ending 31st March 2017. No subsequent reversals of impairments were made or recognized in the comparative financial statements presented.

The company has not pledged any items or class thereof of its property, plant and equipment as security for loans from financial institutions or other forms of liabilities. The company's properties are not encumbered legally or otherwise other than those relating to current litigations discussed under contingent liabilities.

During the period the company did not receive compensations from third parties for certain items of property plant and equipment that were impaired, lost or given up.

The estimated market value of the company's land and building properties carried in the financial statements using the cost model is about =N=857 million. This measurement has been derived using Level 3 fair value measurement model.

53 Restatement of 2016 financial statements

The restatement of 2016 balances is predicated on the changes in the depreciation method adopted by the group. That is, a change from reducing balancing method to straight line method of depreciating all non-financial assets. These changes have been retrospectively applied in line with the requirement of IAS 8 on Changes in accounting policies, errors and estimates. The resulting effects of this restatement is an increase in depreciation expense and decrease in profit before tax.

The Changes to property plant and equipment

Company

	=N='000
Carrying amount -31-03-2016	1,973,041
Revised amount	1,666,378
Changes recognized in profit or loss	306,663

Group	=N='000
Carrying amount -31-03-2016	1,982,967
Revised amount	1,673,943
Changes recognized in profit or loss	309,024

Company

	=N='000
Profit before tax -31-03-2016	1,850,697
Revised amount	1,324,534
Depreciation effect	526,163

Group	=N='000
Profit before tax -31-03-2016	1,858,210
Revised amount	1,329,687
Depreciation effect	528,523

54. Operating segments

The differences in the related risks and rewards associated with each of the distinguishable components of operations of the company have been used as factors in the categorization of the operating segments. The following operating and geographical segments have been reported in the financial statements for the reporting period:

1. Construction contracts and jobbings – revenue is derived and recognized from contract activities and minor jobbing works
2. Facility management services – revenue is derived from contracted period maintenance fees and reimbursement on "charge back basis" of related maintenance supplies and repair/replacement works. Charge back items is at cost plus.
3. Real estate – revenue is derived from property rentals earned from short lettings to third parties and amortized to profit or loss on time apportionment basis.
4. Investments – revenue is derived from dividends received and receivable on equity securities and from short term financial instruments held with financial institutions.

Chief Decision Maker

The chief decision maker as defined by IFRS 8 need not be a single manager or director. Within the company the Chief Decision Maker is a Committee which comprised all the Executive Directors of the Company. The Committee meets on weekly basis and tailor made financial information is provided for consideration and decision making purposes especially as relating to allocation of resources.

54.1 Operating segments' major customers

Construction contracts and jobbings:

1. Oando Wings Dev. Ltd
2. Shell Nig. Closed Pension Fund Administrators Ltd
3. Osapa Lekki SPV Ltd
4. Diamond Bank Plc
5. Mobil Oil Plc.
6. Central Bank of Nigeria
7. Standard Chartered Bank PLC
8. Jovis Nigeria Limited

Facility management services:

1. Guaranty Trust Bank Plc.
2. Pier Properties Ltd

Real estate:

1. British Council
2. South Africa High Commission
3. Canadian High Commission.
4. DHL Nigeria Limited

Investments:

1. First City Monument Bank Plc.
2. United Bank for Africa Plc.
3. Zenith Bank Plc.
4. Guaranty Trust Bank Plc
5. Stanbic IBTC Bank Plc

55. Events after the reporting period

Events after the reporting period relate to those transactions and events occurring between the end of the company's financial reporting period and the specific date that the financial statements of the company are authorized for issue.

These events are analyzed in three parts below:

1. Basis of preparation of financial statements

   There are no events arising subsequent to the end of the reporting period that is indicative of the fact that the principle of going concern is no longer applicable to the company neither has any decision been taken subsequent to the end of the reporting period by the directors or management of the company to cease operation or curtail significantly the scale of operations that will precipitate the preparation of the financial statements of the company on another suitable basis other than going concern.

2. Adjusting events – relating to transactions and events that are evidence of conditions that existed as at end of the reporting period and requiring an adjustment to the financial statements. There were no events that were noted between the end of the reporting period and the date the financial statements were authorized for issue that constituted an adjusting event.

3. Non adjusting events – relating to transactions that are indicative of events that arose subsequent to the end of the reporting period and requiring no adjustment to the financial statements. These events are deemed to be related to the financial statements of the subsequent reporting period and they have been so disclosed separately in the financial statements.

56. Contingent liabilities on contracts

As at the end of the reporting period 31st March 2017, there were no contingent liabilities deriving from claims, penalties or liquidated damages on contracts.

57. Onerous contracts

There were no contracts currently being executed by the company that were designated as onerous contracts as at the end of the reporting period 31st March 2017. The impairment related to the Osborne project has been fully recognized.

58. Related party disclosures

Cappa and D'Alberto Plc. is related to the following companies:

Igbobi Development Company Limited – this is a property owning company in which the company owns 100% in the voting rights of the company. The up-stream and down-stream transactions between the two companies are shown in Note 32.

Stone Road Properties Limited - this is a property owning company in which the company owns 100% in the voting rights of the company. The up-stream and down-stream transactions between the two companies are shown in Note 32.

Clay Industry Nigeria Limited – this is a structural clay manufacturing company. Cappa and D'Alberto Plc uses clay products from the company extensively in its construction contracts and allied civil engineering works. Cappa and D'Alberto Plc owns 541,789 units of the ordinary shares of N2.00 each in Clay Industry Nigeria Limited. This translates into 4.5% of the company as at 31st March 2017. The details of the upstream and downstream transactions between the two companies are shown in Note 32.

The Company

59. Legal form

The company was established as a partnership in 1932 and was incorporated in Nigeria in 1950 as a limited liability company. The Company was quoted on the Nigerian Stock Exchange as a public company limited by shares up till the 24th of March 2009 when the shareholders at a general meeting held on that date passed a special resolution to delist the company from the Nigerian Stock Exchange.

This process was officially completed in January 2015. The shareholding structure of the company as at year ended 31st March 2017 is as follows:

- Construction and Engineering Investment A.G 32%

- International Building Investment A.G 25%
- Ibile Holdings Limited 19%
- Ecobank Transnational Incorporated 10%
- Nigerian and Other Associations 14%

60. Principal activities

The company operates principally as building and civil engineering contractors and its two wholly owned subsidiaries are property owning companies.

61. Dividends

At the annual general meeting of the company held on the 13th October 2016, the shareholders approved a dividend of =N=1.30K per ordinary share of =N=0.50K each amounting to =N=319.921875.00 which was paid net of withholding tax on 25th October 2016 to all registered shareholders in the company as of 13th October 2016.

With respect to the current year the Directors propose a dividend of =N=1.00 per ordinary share of =N=0.50k each to be paid to the shareholders of the company. This dividend amounting to =N=246.093.750 is subject to the approval of the shareholders at the next Annual General Meeting.

By the provisions of International Financial reporting Standards IAS 37 on Provisions, Contingent liabilities and Contingent assets, this proposed dividend does not qualify for recognition in the financial statements as it does not constitute a present obligation arising from an event arising during the financial year under review.

62. Analysis of shareholding

The share range holding analysis in the company as at the financial year ended 31st March 2017 is shown in the table below:

Range of Shares		Number of Shareholders	% of Total	Number of Shares held	% of Holding
1	- 500	577	21.14	177,143	0.07
501	- 1000	685	25.10	752,448	0.31
1,001	- 5,000	989	36.24	3,233,953	1.31
5,001	- 10,000	230	8.43	2,314,260	0.94
10,001 -	- 25,000	149	5.46	2,922,211	1.19
25,001	- 100,000	66	2.42	4,066,998	1.65
100,001	- 500,000	24	0.88	7,354,568	2.99
500,001	- 1,000,000	3	0.11	2,687,851	1.09
1,000,001	- and above	6	0.22	222,584,320	90.45
		2,729	100	246,093,750	100

63. Earnings per share - basic

Earnings per share is based on the weighted average number of shares in issue at the end of the financial year ended 31st March 2017:

	Group 2017 N'000	Group 2016 N'000	Company 2017 N'000	Company 2016 N'000
Profit attributable to Shareholders	3,338,407	970,951	3,311,312	968,406
Number of Ordinary shares In issue as at 31st March	246,094	246,094	246,094	246,094
Earnings per share	N13.57K	N3.95K	N13.46K	N3.94K

The company does not have other forms of equity with dilutive potentials. Accordingly the diluted earnings per share have not been calculated.

Finally the company did not issue any "rights issue" to its members during the year, accordingly no calculations have been included herewith relating to "theoretical ex-rights price" of the company's shares at the end of the year.

64. Guarantees and other financial commitments and litigations

i) Charges on assets – The Company did not charge any of its assets to secure loans or other liabilities obtained from financial institutions or other to third parties during the year.

ii) Bonds and guarantees – During the year, the company was granted bonds in relation to its contracting activities. The outstanding bonds (subsisting and new bonds) as at 31st March 2017 was =N= 27.9 Billion and $461,161.61, (2016 =N=31.3 Billion and $1.8 Million). The directors are of the opinion that no liabilities will derive from these bonds.

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

iv) Contingent liabilities
Contingent liabilities are those whose existence can only be confirmed by the occurrence or non-occurrence of certain future events not wholly within the control of the company. No provisions have been made in these financial statements for contingent liabilities in respect of pending litigations. Adequate legal advice has been taken from the solicitors to the company with respects to the probability of any liabilities crystalizing therefrom. Based on the legal advice received, the Directors are of the opinion that they have good defense against the litigations and there is no likelihood of any loss arising therefrom.

No provisions have also been made in respect of any liabilities that may derive from bonds and guarantees issued to clients on contracts. Liabilities may crystalize if any of the company's clients calls in a bond for breach of the agreed contract terms (liquidated damages). The company has had no history of contract breaches and has no reliable information to anticipate and measure liabilities that could derive therefrom.

Outstanding bonds and guarantees as at the end of the year:

• Advance payment guarantees - bank	N 21,437,296,634
• Advance payment guarantee - Insurance	N 1,574,735,173
• Performance bonds – bank	N 2,388,472,060
• Retention bonds – bank	N 2,496,164,788
• Retention bonds – bank	$ 461,161.61

v) Contingent assets

Contingent assets are those whose existence can only be confirmed by the occurrence or non-occurrence of certain future events not wholly within the control of the company The Company has not recognized any contingent assets that could accrue to it from the pending litigations against certain third parties or any other beneficial recourse as at the end of the financial year. The company cannot assess the outcome of these litigations neither could it estimate reliably the sum that could accrue to it from the litigations.

Furthermore the company has not recognized any asset that could accrue for it from bonds and allied guarantees issued in its favor by its sub-contractors on contracts.

Bonds and guarantees issued in favor of the company as at the end of the financial year:

• Advance payment guarantees - bank	N 5,752,339,637
• Performance bonds – bank	N 589,947,733
• Retention bonds – bank	N 363,659,669
• Retention bonds – bank	$ 106,438

vi) Capital commitments

There were no capital commitments at the accounts reporting date ended 31^{st} March 2017 or further disclosure requirements relating to properties in respect thereof as required by IAS16.

65. Pension and severance benefits

The Company maintains a pension and severance benefit scheme for its employees. The contributions to the pension scheme is at the rate of 10% by the employer and 8% by the employee on the earned income of respective employee as defined by the Pensions Reform Act of 2014. This scheme is administered by staff nominated Pension Fund Administrators.

The Company's severance benefits scheme is based on a measurement metric negotiated under the NJIC agreements for all staff. The dues under this scheme is accrued and paid in the period of charge to profit or loss.

66. Loans and other transactions favoring directors

The company did not guarantee any loan to directors or other officers of the company during the year. The emoluments of directors have been fully disclosed in note 39.1

67. Investment property (See Note 23)

The group has investments in certain properties across its immediate economic environment from which it derives rental income (the two wholly owned subsidiaries as noted in Note 23 are property owning companies) and these properties have been designated investment properties. These properties have been accounted for in these financial statements using the cost model as indicated in the statement of significant accounting policies. As required by IAS 40, the fair value of these properties are required to be separately disclosed in the financial statements even though the company had employed the cost model in accounting for same. The fair value of these properties as at the end of the reporting period 31st March 2017 is estimated by the directors at about =N=1.140 billion. The valuation basis as independently assessed is classified under Level 3 in the fair value valuation hierarchy. Certain other properties from where the company equally derives rental income did not meet the recognition criteria set out in IAS 40 for designation as investment property, accordingly these have been classified along with property plant and equipment. These properties are held on operating lease and accounted for under the cost method.

68. Major Suppliers of the Company

Lafarge WAPCO PLC
Flour Mills of Nigeria PLC
Edilcentre Nigeria Limited
Federated Steel Mills Llimited
Dangote Cement Plc

69. Comparative figures

Certain comparative figures have been restated where necessary for better comparison and presentation in the current period and in compliance with the International Financial Reporting Standards

70. Management responses to Key Audit Matters

70.1 Foreign Exchange Profit - This is a result of the deterioration of the Nigerian Currency against World Major Currencies arising from (1) Reduction of price of Crude Oil and output (2) CBN policy and Foreign Exchange management in Nigeria. In accordance with FIRS requirement (IAS21) this had to be reported on profit or loss.

70.2 Withholding tax - We view with concern this change of policy. This tax is discriminatory as it reflects an unrealistic profit margin in the construction industry. The Withholding tax Credits will accumulate as an asset and will unavoidably be written off in time. Withholding tax at 5% poses a serious liquidity problems especially in this difficult economic environment where margins have to be further thinned to secure contracts.

70.3 Foreign Exchange Access at Interbank foreign Exchange Market - Some of the 41 items contained in the CBN Circular for which access to the Inter-bank market is not allowed are crucial to the Building Industry. This has a negative and inflationary impact in our business as foreign exchange for the importation of these items has to be obtained from alternative sources with negative impact on margins.

71. Approval of Financial Statements

These financial statements were approved by the Directors of the Company at a board meeting held on the 19th of July 2017. This date constitute the date the financial statements were authorized for issue.

The following directors acting on behalf of the Board of Directors hereby authorize these financial statements for issue but without the rights to amend the financial statements subsequently without recourse to the full Board of Directors:

Enrico Calvino ……………………………………………….
Ex. Director

Levi U. Ikenyi ……………………………………………….
Ex. Director

Risk management framework.

The operation and management of an enterprise is risk oriented. A key objective of an enterprise is to improve shareholders value in the enterprise through the tripartite process of value creation, value retention and value realization ultimately for the benefits of the members of the Company. In this process the management plans, develops and implements new building systems, designs and technology, systems and processes in a manner to ensure success and minimize losses due to failures in some of these developments in its risk management methodology. Risks rears its head in every facet of the business of the Company to which management must anticipate and device strategies to combat. The increased complexities of risks in modern day is precipitated by the same complexities in transactions and the advent of technology. This has brought risk management in all its forms to the fore in most organizations.

The Board of Cappa and D'Alberto Plc is specially risk conscious and the dangers that un-hedged risks portends to the operations of the group and has developed the required processes and procedures (which are routinely monitored for effectiveness and revised on need basis) within the group to identify risks, manage these risks as far as practicable to eliminate them or at best mitigate the effects of these risks on the financial affairs of the group and its operations. As much as it is desirable risks cannot be totally eliminated in business especially people risk which is the most complex to identify, evaluate and effectively anticipate.

The board of directors has saddled a board committee with the overall group risk management. This committee is the Finance Committee. In the discharge of this function, the finance committee co-opts key management staff at every strata of top management into its meetings and sessions held in the committee's strive for continuous development, assessment and monitoring of overall risk management framework for the group. There is also established within the management structure a "Risk Committee" charged with the responsibility of internal assessment of the effectiveness of the risk management policies approved for implementation within the company and monitoring the application of these policies within the overall operational framework. The risk management committee meets monthly to review its activities within its defined terms of reference and develops reports on its activities to the board committee i.e. the Finance Committee for further deliberations at its quarterly meetings.

Identifiable risks and
Strategies employed by the group to hedge risks

Market risk:

This is the risk of financial loss to the company due to factors that affect the overall performance of the financial market. Market risk may not be eliminated by diversification but may be hedged against. This risk is also called systematic risk and may have extraneous impacts on other risks. The company is not an active investor in the financial market save for some limited equities held in a company listed on the Nigerian Stock Exchange. The significant impact factors associated with market risks are interest rates, inflation rate….. etc. which affect the markets generally.

Legal Risk

Legal risk is all encompassing and may either be narrowly evaluated or widely evaluated. In general terms, it identifies the consequences of a company in not complying with statutory or regulatory obligations in its immediate operating economic environment as well as the consequences of a bad legal product or advice in consummating a business transaction. The primary impact of legal risk on Cappa and D'Alberto plc will be the following and the risk mitigating strategies:

- Construction contracts

  The company executes big ticket contracts and a single poorly negotiated contract can have severe financial implications on the company. The company has evolved over the years and developed the internal capacities which have been replicated in successive management of the company to creditably manage contract legal instrument draftsmanship, preferred contract structure for profitable financial outcome and interpretation of contracts presented by external parties and by so doing avoid pit falls in contracts. The company complements its capacity in this regard by seeking other professional opinions in coming to a decision in a contract.

- Environmental laws

  The environmental impact of a contract to which the company is a party is carefully evaluated and discussed with the client. The responsibility to secure the required permits required are ceded to the client who is required to put in place or provide as part of the contract, if such management is within the capacity of the company, or the client is required to engage specialist skills resident in other entities to manage the environmental impact of a construction contract before, during and post execution of the contract. The company does not take responsibility for building designs and its approval processes.

- Labor laws

  The company is a heavy employer of labor hands in its core activity – construction. Engagement conditions are entrenched in annual National Joint Industrial Court (NJIC) agreements with the Unions which is respected and executed to the letter by the company. Due legal advice is taken by the company to address labor laws and their interpretation thoroughly. Regular engagements are held with the Union to foster mutual co-operation. All labor entitlements are accrued as incurred and paid in the ordinary course of business.

Business Risk

This risk derives form the way a company is organized and structured to engage in business so as to make profit and improve the company's share value. The risk therefore is that the company may not, given its structure, make profit on its operations due to internal factors not well aligned to recognize these risks and effectively mitigate it or deriving from such external factors as competition curtailing significantly its market share. This broad explanation portends that several risk factors could be attributable to business risk. These are identified below:

1. Contract structure risk

   The Company operations is structured around executing building contracts. Contracts have different variants and contents. The potential risks associated with each contract may differ significantly and the company strives to manage the risks inherent in specific contracts by specific application of predefined risk management policies and procedures. However in general terms, contracts are broadly classified into Fixed Price contracts and Cost-plus contracts. The policy of the company is to negotiate a fixed price contract with inbuilt price fluctuation clauses that will enable the company claims of additional sums deriving from changes in prices and labor costs which are unpredictable given the economic environments it operates. This risk mitigation clauses in its contracts is predicated on the fact that most contracts will generally span a period of more than one year and prices are unlikely to be stable for the entire duration of the contract. This strategy preserves the value in the contract. The company, as a policy will not sign on a contract without the price fluctuation indemnity clauses.

2. Project execution risk

   By the nature of the operations of the company heavy machinery are deployed in the course of execution of a contract. Heavy duty trucks move goods and materials, ancillary equipment and personnel across the country to worksites. Coordinating contract execution itself is a risky venture and all these boil down to the fact that the operations of the company in its entirety are prone to accidents. The risk management committee have over the years developed the culture of risk awareness within the whole gamut of operation of the company. Staff are engaged periodically on safety courses organized in-house and externally. Works processes on sites are followed having regards to strict laid down safety procedures. Safety gears are provided to staff on work sites and a safety team is engaged at every site for the enforcement of company laid down safety rules. All identifiable insurable risks on contract works are covered by insurance contracts. Such risk like fire accident, burglary, goods in transit, work man compensation etc.

3. Sub-contractor specific performance risk

   The company in mostly all its contracts is the major contractor and ultimately responsible for coordination and delivery of the contract in accordance with the terms of contract. The contract may be structured to have client nominated subcontractors or the company may be given the latitude to engage subcontractors directly on contracts. Where the client nominates sub-contractors directly the company negotiates indemnity for loss of time or failures on the part of the subcontractor as a part of the major contract. This indemnity protects the company from damages that would otherwise crystallize for non-performance as well as the retention of its value in the contract. Conversely where it directly nominates subcontractors, the company secures itself with advance payment guarantees provided by the subcontractor for any advance payment made as well as performance bonds in the way and manner specified by the company from the subcontractor. All these are further followed up with adequate supervision and monitoring as well as maintaining a policy of evaluating the financial health of its sub-contractors to avoid financial loss and good relations with subcontractor companies.

4. Industrial labor risk

The workforce of the company is predominantly blue-collar. This class of workforce is highly unionized with persistent demands for wage increase and better conditions of service. The company on account of this is exposed to spikes in wages it must comply with. The conditions of service for this class of staff are mutually registered in NJIC agreements (National Joint Industrial Council) that the operators in the industry must comply with. The risk associated with this industrial labor is mitigated by close relations and engagement with all major operators in the building and construction industry in Nigeria with a strategy to anticipate unrest industrial action, wilful damage to property and wage increases. This strategy presents a common front in the management of industrial labor and its associated unrest. This risk is also partially mitigated by the terms of all operating contracts re - price fluctuation clauses. The risk cannot be totally eliminated and partially classified along with overall aggregate risk (systematic).

5. Foreign exchange rate risk

The company has developed and continually reviews its policies relating to the management and elimination of risk associated with changes in foreign exchange rates. The principal business economic environment of the company is Nigeria and its functional currency is the Nigeria Naira. The focus of the foreign exchange management of the company is the United States Dollar ($) and the Euro (€). Financial assets denominated in foreign currencies relate to cash and bank deposits on short term with certain selected banks in Europe. Other non-bank deposit financial instruments relating to debenture instruments of related companies outside Nigeria are carefully structured in line with laid out value protection policies of the company to ensure that repayments are made in the currency of the loan to avoid a direct depletion in value of those securities deriving form currency devaluation or other forms of currency deterioration. The underlying asset here was disposed during the course of the year which has eliminated the risks associated with this financial asset. Management of risks on exchange rates on operations locally is mitigated by ensuring that all foreign components relating to a specific contract are negotiated immediately after contract sign on date (most inputs would have been received regarding the contract for the respective foreign supplies ahead at pre-tender stage) and directly funded from the advance payment received on the contract such that exchange differences arising on contract foreign purchases are significantly eliminated.

Another strategy whose operational procedures and policies have been included in the foreign exchange rate risk management is ''hedging''. The hedging program of the company is structured principally into a ''Cash flow hedging '' framework, which is executed internally and not by the purchase of a derivative. In this regard foreign exchange rate risk associated with capital purchases for the operations (not contract specific) of the company are eliminated by making full payment for foreign components of capital equipment and materials required on contract works which are funded wholly from deposits made in advance by the clients. The foreign exchange acquisition process has been revised drastically by the Central Bank of Nigeria with the introduction of the "interbank foreign exchange market" in 2016. Another layer of risk management as it relates to foreign exchange is the inclusion of clauses in contracts ceding the sourcing of the foreign exchange components of materials in contracts to the clients and the non-applicability of the liquidated damages clauses on the company due to delays in sourcing foreign exchange to fund imports required on contracts.

Risks on bonds and guarantees

The requirements of every negotiated construction contracts often includes the provision of lump sum advance payments by the client to the contractor. Advance payments received on the company's contracts are usually material. In order to provide some comfort to the client for the advance payment given on contracts most clients would usually require the company to provide an ''Advance Payment Guarantee'' for the equivalent sum advanced from a reputable or nominated bank. In addition to this, contract terms also provide for submission of a performance bond to the client to re-assure the client that the company will execute the contract according to the terms and conditions of the contract, especially delivery timing as well as meeting quality requirements on the contract. In each of these, the client reserves the right to call in the bond for failure to satisfy contract requirements and additional claims on liquidated damages. This potential risk source is managed by the careful and deliberate contract management processes developed within the company to guarantee good contract outcome. This contract management processes and procedures including their underlying logistics come under the direct supervision of the board committee - Contract Management Committee with direct oversight functions on contracts execution. The contract management framework includes a deliberate policy of segregation of contract funds from general funds. This policy ensures that funds required for contracts works are available on demand to meet contracts financial obligations. Short term investment of contract funds are tied strictly to contract execution time table and only invested in financial instruments that are capable of being converted to cash at short notice without the risk of loss in value on conversion and with non-penalty termination clauses.

The company in a reciprocal arrangement with subcontractors enforces a policy of receiving requisite advance payment guarantees for advances made directly to them on contracts and performance bonds to guarantee faithful execution of the awarded subcontracts on projects. In all circumstances the contract management committee ensures a net open positive position on all subcontracts to mitigate and /or eliminate all risk associated with bonds and guarantees.

Risks on retention bonds

In certain instances, the company claims retentions due on contracts after completion with retention bonds rather than wait for the expiration of the defect liability period. Risk associated with retention bonds are managed by prompt rectification of all defects reported by clients on completed contracts and making adequate provision for the expected costs incurable during the defects liability period using a model simulated from empirical facts through the use of an allowance account.

Credit risk

This is the risk of loss of the cash or financial assets deployed/invested in executing a contract or rendering a service to a client on "credit basis" due to the client's ultimate inability to repay the cash advance or fulfill his financial obligations at the end of the agreed credit term. The company's operations can be broadly classified thus:

- Contracts
- Jobbings
- Facility management services
- Property investment (rentals revenue)

Credit risk and their management thereof inherent in these classes of operations are discussed below:

a. Contracts

In all circumstances the company by its operating contracts policy and pre-condition for sign-on requires all contracts to include the release of an advance payment, notwithstanding that this is equally covered by an advance payment bond / guarantee. Initial contract works and strategic materials and equipment required on the contract are financed from this advance payment as well as any initial progress certificate that could be recovered from this advance payment. On full recovery of this advance payment progressive certificates are expected to be paid by the client in accordance with the terms of the contracts. The board attaches strict compliance with its policy of disengagement from site for contraventions/breaches on contract payment terms. The contract management committee is charged with complete compliance and monitoring of this policy on all contracts. In satisfaction of this board policy the contracts management committee slows down on site works on recognition of delay in complying with the contract payment terms by a client.

This is backed up to full works stoppage and ultimately demobilization from site in the event of persistent failure in meeting contract financial obligations by the client. Special clauses are incorporated into contract agreements to provide for indemnity to the company in the event of demobilization and remobilization to site in the course of contract execution.

b. Jobbing

These are small contracts with short completion cycle which are usually less than one year. Excluding any provision for retentions, the client is required to pay the full contract price up-front as a matter of company policy. Effectively the company does not grant credit on jobbing contracts therefore no associated credit risk derives therefrom. An limited exceptions are referred to the Contract Management Committee and the Finance Committee for approval.

c. Facility Management Services

Property owners are required to maintain deposit accounts with the company from where progressive invoices are recovered. This service essentially runs a prepaid service as its operational policy. No credit is involved.

d. Property Rentals

Property revenue is derived from the lease/letting of the company's owned properties to third parties. The operational policy of this segment of operation within the company required tenants to prepay for contracted period of rent/lease in advance, usually one year. Tenancy is renewed annually with a requirement that tenants signify intention to renew leases formally within six months to the end of existing tenancy contract. No credit is allowed in this operation to tenants.

The finance committee in conjunction with the contracts management committee continually reviews the instituted risk management framework for the evaluation and assessment of its effectiveness in the context of present business realities, obligations, expectations and restructuring of the overall guiding policies to meet the demands of extant and evolving complexities in contract structuring and governing laws. The board receives adequate reports from these committees for guidance in the formulation of policies and attainment of objectives relating thereto.

Operational Risk

The company operates within a geographical location in the world, within an economy, within an industry and a locality. Its operations are inherently impacted by events within these bands of economic fields and internally by its own structure within. Operational risk therefore is the risk of loss that results from external events which may be outside its control, inadequate or failed internal processes, people and systems. The board of directors is directly responsible for designing the operational policies for managing operational risks relating to the operations of the company. The overall risk management framework is also approved by the board of directors and implemented by the management committee. The board maintains direct oversight functions on operational risks management by getting monthly reports from management and real time notice for material loss events requiring immediate intervention.

The following are the basic types of operational risks relating to the company

- Building systems design failures that could potentially cause the company significant financial loss. This could arise from under testing building systems in robust simulations that could have revealed weaknesses in the design before deploying such systems in contracts execution.
- Safety protocols - wanton disregard to pre-designed safety protocols for the operation of machinery on site and non-adherence to safety rules in work processes and movements in the course of contract execution.
- Damage to company assets

- Business disruption including those resulting from industrial action.
- Fiduciary breaches and misuse of confidential information
- Internal and external frauds

The company's operational risk management framework is governed by the following:

- Directors training and empowerment on risk assessment, evaluation and identification for effective contribution to the management of operational risk relating to the company
- Clear strategies for the identification of all associated operational risk and proffering of clear cut policies to address each of these risks specifically.
- Maintenance of strong operational risk culture.
- Effective monitoring and internal reporting
- Maintenance of high ethical standards in the operations and impeccable integrity.
- Commitment to strong cooperate governance.
- Continuous review of the entire gamut of internal control policies, processes and procedures to guarantee continuous relevance and effectiveness.
- Quality control/Compliance Team - embedded within the contracts management committee is a sub-unit responsible for compliance and quality control. The team comprised seasoned engineers who review painstakingly by the overall contracts works processes and procedures, on and off site, to ensure compliance with rules, regulations, safety protocols and loss events reporting and redress. The routine reports generated by this unit is fed into periodic reports to the board of directors for consideration. The recommendations contained therein form the basis for improvement in the overall risk management framework for the group.
- Maintenance of effective disaster recovery procedures and plans (see information technology management committee)
- Secondary storage of company information and data whilst maintaining appropriate cyber security for the protection of trade secrets and other confidential company information.
- Non-Disclosure Agreements (NDAs) – Maintenance of a policy of executing actionable non-disclosure agreements with professionals engaged by the company for statutory functions and allied advisory roles with access to confidential information.
- Whistle blowing policy

People risk

Embedded within operational risk is this subset termed people risk. Of all the risk elements with this band of risks this is by far the most difficult to evaluate and effectively hedge. Human beings are by nature complex. While processes can be engineered, controls developed these will ultimately be put at the disposal of personnel who have been hired through rigorous competence selection processes and possession of required knowledge to creditably execute assigned roles in the organizational management processes. The expectation would be that people will do the right and sensible thing but they hardly do. Most disasters, fraud, accidents are direct results of people not complying with set rules and procedures that will ultimately cause the company huge financial loss and at the other end of the spectrum loss of lives with untoward reputational damage to the company and public trust erosion. The company directly engages the staff and unions in discussions that particularly affect them and continuously review benefits and entitlements to gain staff confidence and cooperation.

Liquidity Risk

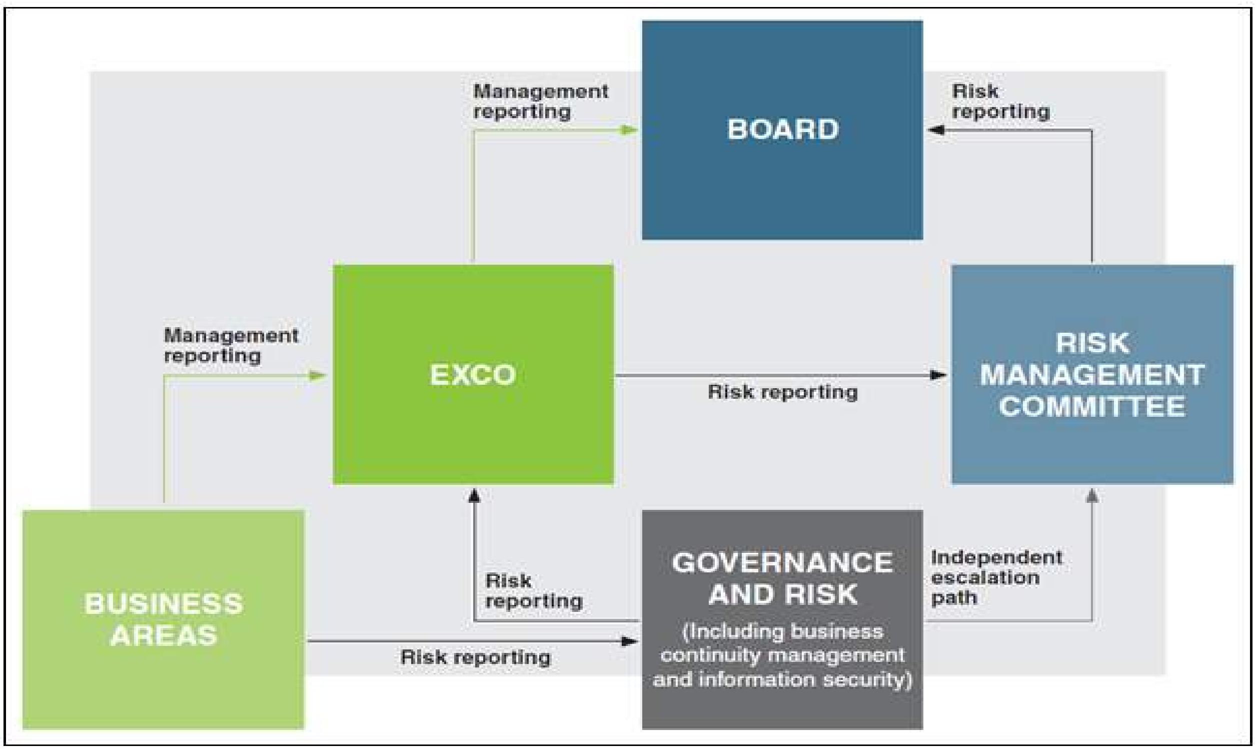
Liquidity risk is the group's capacity and ability to meet its cash obligations without incurring unacceptable losses in the process. This is made manifest in the group's capability to efficiently meet both expected and unexpected cash calls without affecting routine or daily operations. The primary objective of the group's liquidity management and mandate to the Board committee charged with these roles are:

- Prospectively assess the need for funds to meet obligations;
- Ensure the availability of cash, credit leg rooms and collaterals to meet those needs at the appropriate time by coordinating the various sources of funds available to the company and group under normal and stressed conditions.

The group's policy is consummating contracts and the execution thereof, and following through on the financial obligations to customers on controls ensures that the primary source of illiquidity is plugged. The secondary cause of illiquidity is efficiently managed by concerted efforts in coordinating resources and their allocation/deployment thereof.

Information Technology Management Committee

On the heels of developments on the information technology industry and the compelling need by businesses to employ technology to drive their operations, maintain records, company systems and processes, trade secrets and patents the associated risk of so deploying technology has quadrupled and stairs business managers in the face as they continually face the unending risk of cyber-attack, theft of company through hacking and data hostage for ransom. This dark world is a world problem and the risks associated therewith continue to grow exponentially. In order to protect the company a management committee has been constituted which reports to the Finance Committee. The graph below depicts the structure of the company Information Technology risk management:



The risk associated with technology is further supported by the following policies of the group:

1. Programed conduct of information technology audit by external facilitators and reporting on weaknesses
2. Certifications of IT structure and applications by external facilitators to ensure continuous effectiveness of the company's firewall
3. Conduct of **penetration test** by external parties on company's information technology structure and database at least once in a year

4. Programmed training of staff and directors on risks associated with information technology to engender its consciousness in the operations of the company.

Capital Management

Within the conceptual framework, the concept of capital maintenance adopted in preparing the financial statements is the financial concept. Under this concept profit is earned only if the financial (or money) amount of the ''Net-assets'' at the end of the financial period exceeds the financial amount of Net assets at the beginning of the period after excluding any distributions to and contributions from owners during the period.

The overall objective of the company for the management of its capital is to continually maximize shareholders' values. In order to ensure this, the company has developed operational financial management policies jointly executed and maintained by a board committee, (the finance committee) headed by the Managing Director. Investments of capital are subjected to close scrutiny by the committee and appraised for value creation potentials.

The committee makes formal proposals to the full board and only applies funds after receiving due consent from the Board. Operational financial policies are held within the bounds of applying funds to projects/contracts and for administrative purposes informed by annual operating budget duly approved by the full board.

In terms of what the company manages as capital, these are basically the shareholders' funds of the company maintained within equity and comprised paid up share capital, share premium reserves and retained earnings accumulated over the years. By the special nature of the operations of the company, construction contracts, it receives lump sum amounts from its customers as advance payment on contracts (The company presents due advance payment bonds and guarantees for these). These funds are held in dedicated accounts and in near cash financial instruments that are easily converted to cash at short notice to meet contracts financial obligations without significant loss in value. The short term investments made on these funds provide some income that are recognized in profit or loss in the respective years.

The company is not directly regulated by a statutory regulator within the Nigerian economy, other than the statutory returns it makes to the Securities and Exchange Commission and the Financial Reporting Council of Nigeria. The company is not subject to externally imposed capital requirements.

Estimation uncertainty and underlying assumptions.

In accordance with paragraph 125 of International Financial Reporting Standards 1, the following are the main items with risk of significant adjustment to their carrying amounts and on which the company had made assumptions about the future:

1. Withholding tax receivable - ₦1,085,883 Billion

   Withholding tax receivable classified as an asset derives from a tax regulatory requirement that authorizes customers to deduct applicable withholding tax rate from the gross amount of the company's invoices and remit same to the Federal Inland Revenue Service. This is deemed as an advance payment of company income tax as the credit notes received from customers subsequently could be used to defray computed company income tax. Advance payment of tax is based on the presumption that the company will always report profits on its operations and that the quantum of profits will always exceed the taxes paid in advance. The reality is that reported taxable profit have been lagging behind the advance taxes paid by the company with the result that unused advance payment of taxes have been carried over to subsequent years as assets with significant composition within the shareholders' fund balance. The company assumes that as long as the enabling tax laws allow this to be used in the future it should accordingly continue to record this as an asset unimpaired even though the company has been making some provisions in respect thereof.

2. Work – in – progress - ₦465,839 Million

   This relates to uncertified expenditure or amount incurred on contracts relating to future contract activity by the company at the end of the accounts reporting period. The company assumed that the expenditure was duly incurred in accordance with specified contract terms and the works so uncertified at the end of the reporting period will meet the required quality assessment by the Client nominated Project Manager or Architect and will ultimately and will be certified. These have been valued in accordance with the provisions of IAS 11 and stated in the financial statements as an asset unimpaired. The company further assumed that the independent valuation of these items of work in progress by its engineers is devoid of errors.

3. Advances to subcontractors - ₦3,889,387 Billion

The process of executing a contract brings together a team of specialist companies each rendering specialized services on aspects of the contract all of which are carefully coordinated by the company as the main contractor on the project. These specialist companies could either be client nominated on engaged directly by the company. The company is largely exposed to subcontractors engaged by it directly on projects. The company assumes that these subcontractors will render their service in occurrence with the terms of their engagement derived from contract specifications notwithstanding the fact that these subcontractors have provided the required advance payment guarantees to cover these advances. The company also assumes that there will be no need to have recourse to these advance payment guarantees and performance bonds provided on the advances as the company expects the engaged subcontractors to deliver on the segment of the project assigned to them.

4. Advance payment guarantee ₦ 23.012,032 Billion
Performance bonds ₦ 2.388,472 Billion
Retention bonds ₦ 2.636,819 Billion

The nature of construction contracts requires contractors to provide clients with advance payment guarantees for lump sum advances received on contract, at the on-set and performance bonds. These requirements are to ensure that the contractor executes the contract in accordance with the terms of the contract in its entirety and also guard against diversion of funds. The company assumes that none of its clients will call-in the bonds given by it on contracts as it assumes that it will diligently execute contracts according to the specifics of each contract. Contract funds are sterilized in dedicated accounts and near cash financial instruments at all times to meet the financial requirements of contracts and requisite professionals are employed and maintained within the body of staff for the required deliverables on contracts. The company has not made any provisions in respect of any bonds other than the allowance account maintained for retention bonds.

5. Available for sale financial instrument - ₦5,550,739

Certain financial assets of the company have been designated as available for sale, these have been measured at fair value through other comprehensive income. The components not measurable at Level 1 valuation basis have been measured using a valuation model. The company has used several models in the valuation basis to significantly eliminate "model risks". The loss or gains on revaluation of these equities have been recognized on other comprehensive income. These are essentially equities held by the company in quoted companies and un-quoted companies. The company assumes continuous holding of these investments into the nearest foreseeable future. The company had based its estimation of the value of assets classified as available for sale on the following:

- Stock market performance trend
- Stock market prices
- Sectorial performance within the Nigerian Economy
- Dividend pay-out by the constituent companies
- Related competition performance
- Financial statements analysis of the companies involved

The company assumes that the valuation bases employed are adequate and valuation model risk has been significantly eliminated.

6. Inventory - ₦3,083,580 Billion

The company maintains several categories of inventory which are stated in the financial statements at the lower of costs and net realizable values. Some of these inventory items are of specialist nature requiring some specialist skills in the assessment and evaluation of their respective 'net realizable values' at the end of the reporting period. The company had relied on the internal competence of its engineers in the valuation of these inventories at period end and had not secured the services of external professionals in the valuation of these inventories. The company assumes that the valuation of these inventories are correct and devoid of errors in quantities and value and that all impairments have been recognized in the physical count of the inventory items and the internal skills employed.

Value Added Statement - Group

	2017 N' 000	%	2016 N' 000	%
Revenue	22,478,694		24,806,724	
Less: Bought in materials, equipment and services:				
Imported materials	8,100,183		8,967,491	
Locally purchased materials	12,893,470		14,505,792	
Value Added form Core Operations	1,485,042	26	1,333,441	54
Add: Other Income				
Interest received	850,756	15	737,508	30
Other Income	3,368,973	59	399,519	16
Total Value Added	5,704,771	100	2,470,469	100
Applied as follows				
Employees:				
Staff salaries, benefits and other emoluments	486,504	9	369,657	15
Providers of Loan Capital:				
Interests and similar charges	26,447	0	33,881	1
Providers of Capital:				
Dividends	-	-	-	-
Government:				
Taxation	1,364,554	24	358,736	15
The Future:				
Property plant abd equipment replacement	488,860	9	737,245	30
Expansion:				
Retained earnings	3,338,407	59	970,951	39
	5,704,771	100	2,470,469	100

Value added represents the additional wealth which the group has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth among employees, capital providers, government and that retained for the future creation of more wealth.

Dividend paid in the current reporting period relates to the distribution out of accumulated reserves. The dividend proposed by the directors for the current reporting period has not been recognized in this financial statements in accordance with IAS 37. It does not meet the criteria of a liability and has been so excluded from the value added statement. This value is retained in retained earnings.

Value Added Statement - Company

	2017 N' 000	%	2016 N' 000	%
Revenue	22,459,519		24,788,641	
Less: Bought in materials, equipment and services:				
Imported materials	4,066,240		3,692,987	
Locally purchased materials	16,408,265		19,521,074	
Value Added form Core Operations	1,985,014	35	1,574,580	64
Add: Other Income				
Interest received	847,397	15	734,778	30
Other Income	2,837,430	50	150,726	6
Total Value Added	5,669,842	100	2,460,084	100
Applied as follows				
Employees:				
Staff salaries, benefits and other emoluments	486,504	9	369,657	15
Providers of Loan Capital:				
Interests and similar charges	26,447	0	33,880	1
Providers of Capital:				
Dividends	-	0	-	-
Government:				
Taxation	1,360,740	24	356,128	14
The Future:				
Property plant abd equipment replacement	484,840	9	732,014	30
Expansion:				
Retained earnings	3,311,312	58	968,406	39
	5,669,842	100	2,460,084	100

Value added represents the additional wealth which the group has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth among employees, capital providers, government and that retained for the future creation of more wealth.

Operating Segment Report - Group

	Contracts & Jobbings	Property Rental Income	Facility Management Services	Interests & Investment Income
	N' 000	N' 000	N' 000	N' 000
Revenue and Other Income	21,656,930	303,528	802,589	851,764
	21,656,930	303,528	802,589	851,764
Less Cost of Sales				
Construction material and stores consumed	5,257,150	72,018	392,528	-
Direct Labor Cost	4,144,380	53,348	290,769	-
Sub-Contracts Charges	8,282,103			-
Interest/Bond Expense	26,447	-	-	-
Plant and Vehicles Running Costs	1,226,009	12,077	65,824	-
Total Cost of Sales	18,936,088	137,443	749,121	-
Operating Profits	2,720,842	166,085	53,468	851,764

Operating Segment Report - Company

	Contracts & Jobbings	Property Rental Income	Facility Management Services	Interests & Investment Income
	N' 000	N' 000	N' 000	N' 000
Revenue and Other Income	21,656,930	282,208	802,589	848,188
	21,656,930	282,208	802,589	848,188
Less Cost of Sales				
Construction material and stores consumed	5,452,351	70,421	200,274	-
Direct Labor Cost	4,287,031	52,139	148,282	-
Sub-Contracts Charges	8,282,103			-
Interest/Bond Expense	26,447			-
Plant and Vehicles Running Costs	1,257,299	12,244	34,367	
Total Cost of Sales	19,305,231	134,803	382,923	-
Operating Profits	2,351,699	147,404	419,667	848,188

For the purpose of IFRS 8 the Chief Decision Maker is the management committee. Other joint operating costs that could not be reliably allocated to each of the defined operating segments have been excluded from this presentation.

For the purpose of IFRS 8 all operating expenses all other operating expenses are not allocatable in a fair manner to the respective operating segments identified in the company and have been so excluded in the presentation above.

Five Year Financial Summary - Group

	2017	2016	2015	2014	2013
	N' 000	N' 000	N' 000	N' 000	N' 000
Assets/(Liabilities)					
Inv. Property & Property, plant and equipment	1,906,716	1,689,225	2,125,225	1,907,170	1,149,983
Financial instruments	7,938	6,993	15,889	16,210	20,716
Other long term investments & Assets	-	247,775	239,408	186,294	192,409
Working capital net assets	10,392,538	6,523,802	5,634,667	4,270,423	3,971,004
Deferred taxation	(1,101,025)	(354,043)	(607,065)	(400,784)	(292,946)
Staff benefits	-	-	-	-	(264,598)
Total Assets - Net	11,206,168	8,113,752	7,408,125	5,979,313	4,776,568
Equity and Reserves					
Issued and Paid-Up capital	123,047	123,047	98,438	98,438	98,438
General Reserves	240,972	240,972	241,073	241,073	22,084
Other equity reserves	69,585	(4,346)	4,938	8,469	13,317
Revenue Reserves	10,772,564	7,754,079	7,063,676	5,631,333	4,642,729
Shareholders' Funds	11,206,168	8,113,752	7,408,125	5,979,313	4,776,568
Revenue and Profits					
Revenue	22,478,694	24,806,724	24,810,417	17,787,283	11,882,039
Operating Profits before tax	4,702,961	1,329,687	2,367,750	1,682,716	905,867
Taxation	1,364,554	358,736	699,158	(526,768)	(215,849)
Profits after taxation	3,338,407	970,951	1,668,592	1,155,948	690,018
Cashflows					
Net cashflows from operating activities	710,145	3,468,226	1,633,556	6,424,612	320,776
Net cashflows from investing activities	160,430	180,001	(205,511)	(627,662)	87,567
Net cashflows fron financing activities	(352,142)	(401,034)	(298,681)	(488,599)	(474,064)
Key Financial Information					
Per =N=0.50K share					
Earnings	1,357	395	848	587	350
Dividends (kobo)	-	-	-	-	-
Dividend Cover (times)	-	-	-	-	-
Net assets	4,554	3,297	3,763	3,037	2,426

Earnings per share is calculated based on profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year. Adjustments are made where applicable for the effects of bonus issue and rights issues.

Net assets per share is based on the net assets and the number of issued and fully paid ordinary shares at the end of each financial year

Five Year Financial Summary - Company

	2017	2016	2015	2014	2013
	N' 000	N' 000	N' 000	N' 000	N' 000
Assets/(Liabilities)					
Inv. Property & Property, plant and equip.	1,901,960	1,680,449	2,132,419	1,913,885	1,188,381
Financial instruments	5,551	5,256	10,205	9,540	11,817
Other long term investments & Assets	586	268,490	239,408	186,294	192,409
Working capital net assets	10,338,470	6,486,796	5,605,649	4,246,282	3,940,596
Deferred taxation	(1,098,965)	(351,542)	(605,192)	(398,249)	(292,381)
Staff gratuity fund	-	-	-	-	(264,598)
Total Assets - Net	11,147,601	8,089,448	7,382,488	5,957,752	4,776,224
Equity and Reserves					
Issued and Paid-Up capital	123,047	123,047	98,438	98,438	98,438
General Reserves	239,235	239,235	239,336	239,336	21,337
Other equity reserves	46,980	(19,783)	(14,453)	(11,909)	10,486
Revenue Reserves	10,738,340	7,746,950	7,059,167	5,631,888	4,645,963
Shareholders' Funds	11,147,601	8,089,448	7,382,488	5,957,752	4,776,224
Revenue and Profits					
Revenue	22,459,519	24,788,641	21,058,196	17,765,638	11,859,665
Operating Profits before tax	4,672,052	1,324,534	2,360,417	1,682,716	1,270,561
Taxation	1,360,740	356,128	696,888	(526,768)	(397,822)
Profits after taxation	3,311,312	968,406	1,663,529	1,155,948	872,739
Cashflows					
Net cashflows from operating activities	700,788	3,465,570	1,633,556	6,420,927	311,325
Net cashflows from investing activities	156,854	177,093	1,623,591	(613,716)	89,509
Net cashflows fron financing activities	(352,142)	(401,034)	(298,681)	(488,599)	(474,064)
Key Financial Information					
Per =N=0.50K share					
Earnings	1,346	394	845	586	351
Dividends (kobo)			-	-	-
Dividend Cover (times)			-	-	-
Net assets per share	4,530	3,287	3,750	3,026	2,426

Earnings per share is calculated based on profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year. Adjustments are made where applicable for the effects of bonus issues and rights issues.

Net assets per share is based on the net assets and the number of issued and fully paid ordinary shares at the end of each financial year

Appendix

Property, plant and equipment schedule - Group

	Leasehold Properties	Land	Building Properties	Furniture & Fittings	Plant & Equipment	Vehicles : Sallon	Vehicles : Commercial	Computer Equipment	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost									
As at 1st April	302,943	276,721	56,507	118,169	1,499,180	300,203	2,161,538	23,010	4,738,272
Additions during the year	-	25,000	1,548	4,735	107,784	32,323	98,923	11,667	281,980
Transfer / Reclassification	-	-	-	(108)	-	-	-	108	-
Disposals during the year	-	-	-	-	(12,135)	(6,732)	(51,931)	-	(70,798)
Balance 31st March	302,943	301,721	58,055	122,796	1,594,829	325,794	2,208,530	34,785	4,949,454
Depreciation									
As at 1st April	40,657	-	11,789	55,481	700,050	204,847	1,600,079	13,383	2,626,287
Acc. Impairment Provisions	-	-	-	-	-	545	1,391	-	1,936
Charge for the year	11,195	-	4,544	6,590	135,896	28,035	210,448	7,236	403,943
Transfer / Reclassification	-	-	-	(29)	-	-	-	29	-
Impairment Charges for the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	10,164	6,324	49,191	-	65,679
Impairment Disposal for the year	-	-	-	-	-	-	-	-	-
Balance 31st March	51,852	-	16,333	62,100	825,782	227,103	1,762,727	20,589	2,966,487
Net book value 31st March 2016	251,091	301,721	41,722	60,696	769,047	98,691	445,803	14,196	1,982,967
Net book value 31st March 2015	262,285	276,721	44,717	62,323	799,384	93,855	559,843	10,391	2,109,521

Property, plant and equipment schedule - Company

	Leasehold Properties	Land	Building Properties	Furniture & Fittings	Plant & Equipment	Motor Vehicles : Sallon	Motor Vehicles : Commercial	Computer Equipment	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost									
As at 1st April	302,943	276,721	56,507	116,284	1,532,550	280,393	2,155,968	23,010	4,744,377
Additions during the year	-	25,000	1,548	4,735	107,784	32,323	98,923	11,667	281,978
Transfers / Reclassifications	-	-	-	-		-	-		-
Disposals during the year	-	-	-	-	(14,860)	(6,732)	(47,451)	-	(69,042)
Balance 31st December	302,943	301,721	58,055	121,019	1,625,474	305,984	2,207,441	34,677	4,957,313
Depreciation									
As at 1st April	40,658	-	11,790	60,389	773,413	213,439	1,719,928	12,337	2,831,953
Acc. Impairment Provisions	-	-	-	-	-			-	-
Charge for the year	11,195	-	4,544	11,958	210,196	33,950	248,519	7,663	528,026
Impairment Charges for the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	14,860	6,732	47,450	-	69,042
Impairment Disposal during the year	-	-	-	-	-	-	-		-
Balance 31st March	51,853	-	16,334	72,346	968,749	240,657	1,920,997	20,000	3,290,936
Net book value 31st March 2016	251,090	301,721	41,721	48,673	656,725	65,327	286,444	14,677	1,666,377
Net book value 31st March 2015	262,285	276,721	44,717	55,896	796,870	84,037	559,857	10,238	2,090,622

Appendix

Property, plant and equipment schedule - Group

	Leasehold Properties	Land	Building Properties	Furniture & Fittings	Plant & Equipment	Vehicles : Sallon	Vehicles : Commercial	Computer Equipment	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost									
As at 1st April	302,943	301,721	58,339	122,795	1,631,131	305,984	2,227,250	35,875	4,986,038
Additions during the year	-	238,296	310,071	8,033	60,607	4,583	14,650	49,485	685,725
Transfer / Reclassification	-	-	-	-		-	-		-
Disposals during the year	-	-	-	-	(10,424)	(26,507)	(52,512)	-	(89,443)
Balance 31st March	302,943	540,017	368,410	130,828	1,681,314	284,060	2,189,388	85,360	5,582,320
Depreciation									
As at 1st April	51,852	-	16,618	73,805	973,185	240,657	1,934,818	21,162	3,312,095
Acc. Impairment Provisions	-	-	-	-	-	-	-	-	-
Charge for the year	11,204	-	35,101	8,744	170,627	30,854	197,568	13,336	467,433
Transfer / Reclassification	-	-	-	-	-	-	-	-	-
Impairment Charges for the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	(10,146)	(26,507)	(52,512)	-	(89,165)
Impairment Disposal for the year	-	-	-	-	-	-	-	-	-
Balance 31st March	63,056	-	51,719	82,548	1,133,666	245,004	2,079,873	34,498	3,690,364
Net book value 31st March 2017	239,887	540,017	316,691	48,280	547,648	39,056	109,515	50,862	1,891,954
Net book value 31st March 2016	251,091	301,721	41,721	48,990	657,947	65,327	292,433	14,713	1,673,943

Property, plant and equipment schedule - Company

	Leasehold Properties	Land	Building Properties	Furniture & Fittings	Plant & Equipment	Motor Vehicles : Saloon	Motor Vehicles : Commercial	Computer Equipment	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Cost									
As at 1st April	302,943	301,721	58,055	121,019	1,625,474	305,984	2,207,440	34,677	4,957,313
Additions during the year	-	238,296	310,071	8,033	60,607	4,583	14,650	49,485	685,725
Transfers / Reclassifications	-	-	-	-		-	-		-
Disposals during the year	-	-	-	-	(10,424)	(26,507)	(52,512)	-	(89,443)
Balance 31st December	302,943	540,017	368,126	129,052	1,675,657	284,060	2,169,578	84,162	5,553,595
Depreciation									
As at 1st April	51,852	-	16,334	72,346	968,749	240,657	1,920,997	20,000	3,290,935
Acc. Impairment Provisions	-	-	-	-	-	-	-	-	-
Charge for the year	11,204	-	35,101	8,637	170,084	30,854	194,234	13,300	463,414
Impairment Charges for the year	-	-	-	-	-	-	-	-	-
Disposals during the year	-	-	-	-	(10,146)	(26,507)	(52,512)	-	(89,164)
Impairment Disposal during the year	-	-	-	-	-	-	-		-
Balance 31st March	63,056	-	51,435	80,983	1,128,687	245,004	2,062,719	33,300	3,665,185
Net book value 31st March 2017	239,887	540,017	316,691	48,069	546,970	39,056	106,859	50,862	1,888,410
Net book value 31st March 2016	251,091	301,721	41,721	48,673	656,725	65,327	286,443	14,677	1,666,378