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ARM Properties is one of Nigeria's leading real estate development companies; with operations spanning the residential, commercial, hospitality, leisure, industrial and retail sectors of the industry. With a Net Asset Value of over N27 billion the Company operates a global structure which provides an investment vehicle for investors seeking opportunities in Nigerian real estate without the exposure of the inherent risks.

Established in 2006 as the property division of ARM Investment Managers, the Company's key distinguishing factors include competent and experienced management, deep relationships with key players in the market and a consistent pipeline of projects. Its overriding policy is to continuously invest in projects that have strategic long-term growth prospects while achieving its medium term objectives. Its projects are carefully selected to not only provide returns for the investors but also to improve the quality of life of the numerous clients who live in them.

The Company will continue to pursue its set out objective of delivering value to its investors and customers with future projects spread across different product sectors and various buyer groups with a goal to positioning itself as a dominant player in the Nigerian real estate market.



NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting of ARM Properties Plc. (the "Company") will be held at The Club House, Lakowe Lakes Golf and Country Estate, Lagos, Nigeria on Friday, August 7, 2015 at 11.00 a.m. to transact the following businesses

### Ordinary Business

1. To receive the Audited Financial Statements for the year ended December 31, 2014 and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To re-elect Directors.
4. To authorise the Directors to appoint Auditors for the financial year ending December 31, 2015 and to fix the Remuneration of the Auditors.
5. To elect members of the Audit Committee.

### Special Business

6. To approve the remuneration of Directors.
7. To ratify the appointment of the following persons as Directors of the Company effective the 1st day of January, 2015:
  - i. Mr. Kola Ashiru-Balogun; and
  - ii. Mr. Bode Olaibi
8. To consider and if thought fit pass the following resolutions which shall be proposed as special resolutions:
  - a) That subject to the receipt of the relevant regulatory approval, the name of the Company be and is hereby changed from ARM Properties Plc to Mixta Real Estate Plc.
  - b) That the Memorandum of Association (the "Memorandum") of the Company be and is hereby amended by deleting Clause A of the Memorandum and substituting it with the following new clause:  
*"The name of the Company is Mixta Real Estate Plc."*
9. To consider and if thought fit pass the following resolutions which shall be proposed as special resolutions:

### RESOLUTION 1

"That the Articles of Association of the Company be and are hereby amended by the insertion of a new Article 4A, as follows:

#### 4A Payment for Shares

"Subject to the provisions of sections 136 and 137 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the Company may issue shares in return for payment in cash, for valuable consideration other than cash or payment partly in cash and partly by a valuable consideration other than cash."

### RESOLUTION 2

"That following the Company's acquisition of respective stakes in real estate holding companies/assets as stated herein: (i.) 52% stake in Summerville Golf Club Limited; (ii.) 51% in Garden City Golf Estate Development Limited; (iii.) 82% stake in Toll System Development Company Limited; and (iv.) a land bank measuring approximately 121,700 square meters at Ajayi Apata Royal Estate, Ibeju Lekki, Lagos State (collectively termed the "Assets") and subject to the foregoing resolution being passed, the Company be and is hereby authorized to issue up to 10,768,798,466 ordinary shares of 50 kobo each, to strategic investors, on such terms, as the Board of Directors may decide, in consideration for the acquisition of the Assets and that the Company accepts the Assets as valid consideration for the shares so issued".



#### Proxy

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. All instruments of proxy should be completed and deposited at the office of the Company's Registrars, Africa Prudential Registrars Plc, 220B, Ikorodu Road, Palmgrove, Lagos not later than 48 hours before the time of holding the meeting.

A proxy need not be a member of the Company. A proxy form is printed at the back of the Audited Financial Statements.

#### Dividend

The Board recommends a dividend of 20 kobo per ordinary share of 50 kobo each which will be subject to withholding tax at the appropriate rate.

#### Dividend Warrants

If the dividend proposed by directors is approved by members at the Annual General Meeting, dividend warrants will be distributed to Shareholders whose names appear in the Company's Register of Members at the close of business on Thursday, July 16, 2015.

#### Closure of Register & Transfer Books

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed on Friday, July 17, 2015.

#### Audit Committee

As stipulated by Section 359(5) of the Companies and Allied Matters Act, Cap C20, LFN, 2004, any member may nominate a Shareholder for election to the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

#### Audited Financial Statements

Copies of the Audited Financial Statements of the Company shall be available at [www.armpropertiesplc.com](http://www.armpropertiesplc.com) and the under listed locations:

- i. Africa Prudential Registrars Plc, 220B, Ikorodu Road, Palmgrove, Lagos;
- ii. ARM Investment Center, 86 Adeniran Ogunsanya, Surulere, Lagos;
- iii. ARM Investment Center, 68C Coker Road, Ilupeju, Lagos;
- iv. ARM Investment Center, 139 Murtala Mohammed Way, Onitsha;
- v. Asset & Resource Management Company Limited, 129 Adetokunbo Ademola Crescent Abuja; and
- vi. Asset & Resource Management Company Limited, 12 Circular Road Presidential Estate, GRA Phase II, Port Harcourt.

Dated this 14th Day of July, 2015

By Order of the Board

ARM Trustees Limited  
COMPANY SECRETARY



Dear Valued Shareholder,

### Special Invitation to the 2015 AGM at Lakowe Lakes Golf Course Estate

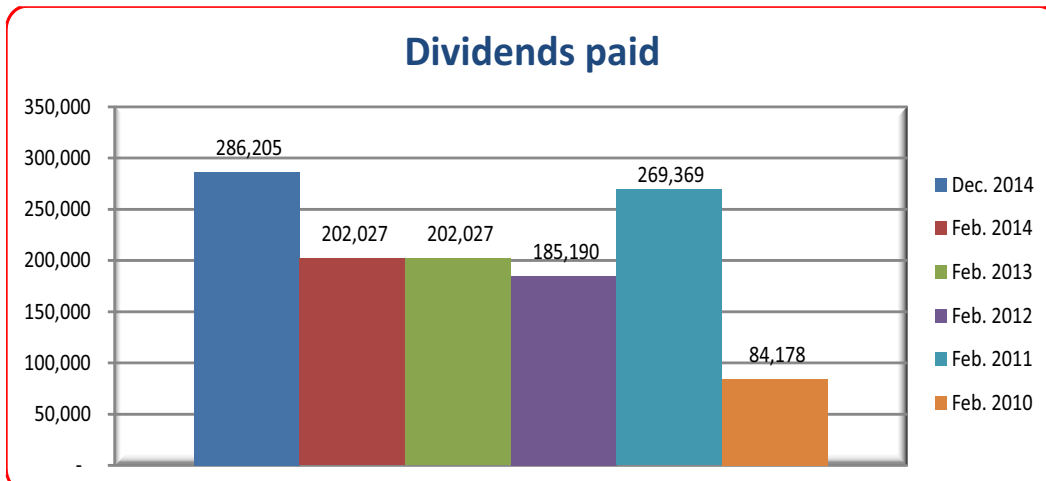
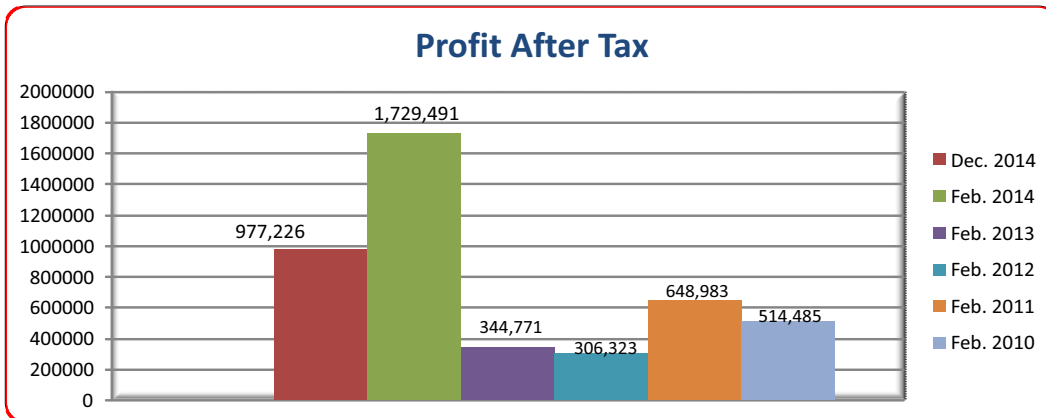
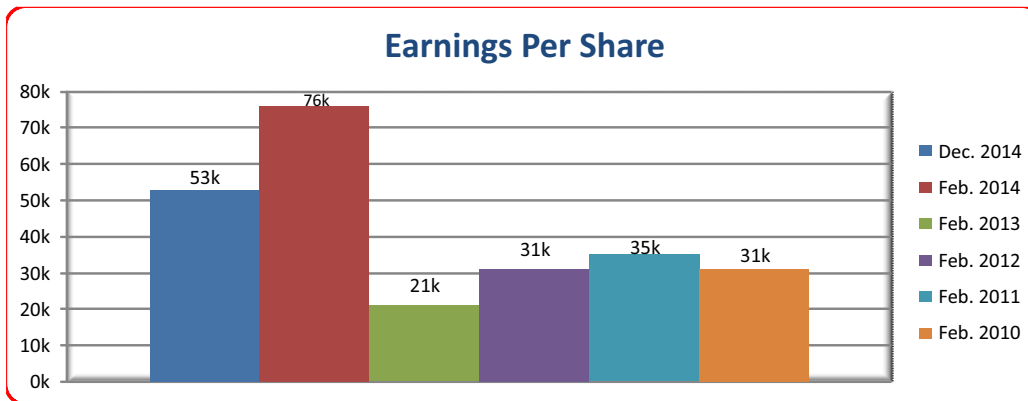
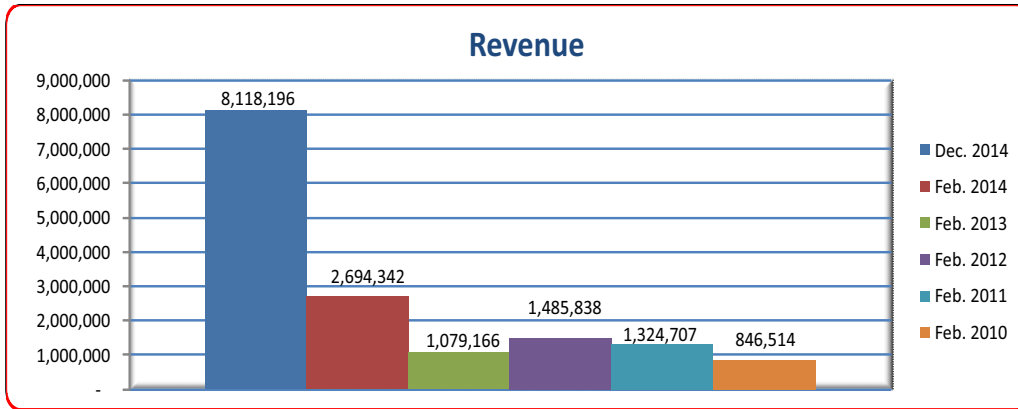
On behalf of the Board and Management of your company, it will be my pleasure to welcome all our valued shareholders to this Annual General Meeting holding at the Lakowe Lakes Golf and Country Estate. Named after the village in which the project is located, the development represents one of the most significant investments the company has embarked upon and this will be a good opportunity for you to experience how we develop real estate in a sustainable manner.

Within Lakowe, you will see the 18-hole international championship rated golf course development, and our housing projects such as The Enclave and The Village. Scheduled tour visits to our other estates such as Adiva Plainfields, Beechwood Estate will also be arranged. All tours will be arranged after the AGM.

I urge all shareholders to honour this invitation to better understand the vision of your company in creating new and liveable communities for our clients in a sustainable manner that also maximizes returns to the company.

Thank you and I look forward to seeing you at Lakowe.

**Wale Odutola**  
*Managing Director.*





## FINANCIAL HIGHLIGHTS

	Dec. 2014	Feb. 2014	Feb. 2013	Feb. 2012	Feb. 2011	Feb. 2010
Revenue	8,118,196	2,694,342	1,079,166	1,485,838	1,324,707	846,514
Profit Before Tax	1,454,364	2,100,929	550,476	1,120,019	982,630	729,602
Taxation	(477,138)	(371,438)	(205,705)	(813,696)	(333,647)	(215,117)
Profit/Loss After Tax	977,226	1,729,491	344,771	306,323	648,983	514,485
Transfer to retained earnings	891,557	1,274,308	347,731	528,461	587,809	513,771
Shareholders Fund	27,778,737	30,004,276	37,221,665	43,356,368	43,300,976	11,721,682
Basic Earnings Per Share (kobo)	53k	76k	21k	31k	35k	31k
Dividend Per Share (kobo)	20k	17k	12k	13k	16k	5k
Dividend paid	286,205	202,027	202,027	185,190	269,369	84,178





## Four Points By Sheraton, Lagos

An international, 4-star, standard hotel managed by Starwood Hotels & Resorts. It comprises of 237 rooms, a wellness centre & spa, roof-top terrace lounge, and world-class conference and meeting facilities.

The hotel has been operational since 2010 and has enjoyed an average occupancy rate of over 70% since inception.



## Lakowe Lakes Golf & Country Estate, Lagos

Lakowe Lakes Golf and Country Estate is designed as an exclusive, secure and serene haven. Homeowners will enjoy the security and freedom that a gated community brings, as well as the luxury of living on a pristine 18-hole golf course, complete with a clubhouse. Choose to stay and play at Lakowe Lakes Golf and Country Estate, and you will also enjoy other sporting amenities such as swimming pool, squash, tennis and badminton courts and a world-class gym.

The Lakowe Lakes development occupies a land area of roughly 308 hectares, and overlooks a 55 hectare man-made lake. Lakowe Lakes golf and country estate forms part of the larger "Lagos New Town" development project, which has been planned as a fully integrated, self sustaining municipality that will incorporate first class infrastructure. This new town has been modelled after other globally successful urban redevelopment projects.

The golf course opened for play in October 2010 and currently has over 400 active members.



## Garden City Golf Estate, Port Harcourt

Garden City Golf Estate is an 18-hole world class championship golf course and residential estate designed to offer premium accommodation, conferencing & event opportunities. Port Harcourt's most luxurious golf estate, with panoramic views is a jewel, right in the heart of Greater Port Harcourt City. This estate is situated along the Ogrila-Agwa Road close to the Port Harcourt International Airport, Omagwa, Port Harcourt, Rivers State. The Estate is part of the new Greater Port Harcourt township development being sponsored by the Rivers State Government.

Located five minutes from the Port Harcourt International Airport and within the Igwurutta-Alli/Aluu/Omagwa community of Ikwerre LGA, the golf estate property spans a total area of over 200 hectares, and will present some of the most breathtaking views in Port Harcourt city.

Work has commenced and infrastructure for the first set of units is expected to be delivered by the end of 2016.



## Adiva Plainfields Estate

Located at KM 45 on the Lekki-Epe Expressway and part of the Lagos New Town community, Adiva Plainfields Estate is an ambient estate comprising of homes and serviced plots of land. Homes are built to quality standards and delivered without internal finishes, allowing homeowners to express their personal style and taste. The features and amenities provided by the estate include 24 hour security service, street lighting, onsite facilities management and well-designed roads, drains and water supply system.



Phase 1a comprising of over 400 housing units was delivered in 2012. Year 2015 saw the completion of an additional 80 (3-bed) apartments. These units were sold out completely upon release.

In the coming year we would be releasing a development for an additional 400 units of flats, masionettes and terraces.

## The Village At Lakowe



*Rendition of the Palm unit*



*Rendition of the Baobab units*

The Village is an exclusive 18 home development which features two distinctly styled homes (the Palm and Baobab) for residents who prefer a more private experience



## The Enclave At Lakowe

The Enclave is the first neighbourhood to be developed on the Lakowe Lakes Golf & Country Estate. It features a collection of lofts, flats, terraces and villas in a range of 1–4 bedroom units.

*Oban Villa - Rendition*



*Oban Villa - Construction in Progress*



*Terrace units - Renditions*



*Terrace units - Construction in Progress*



*Aso Lofts - Rendition*



*Aso Lofts - Construction in Progress*





Board of Directors

Chairman	Hon. Justice George Oguntade (CON, CFR)
Non-Executive Director	Mr. Dafe Akpedeye (SAN)
Non-Executive Director	Arc. Eddy Eguavoen
Non-Executive Director	Mr. Deji Alli
Non-Executive Director	Mrs. Chioma Okigbo
Managing Director	Mr. Wale Odutola ( <i>up until December 31, 2014</i> )*
Managing Director	Mr. Kola Ashiru-Balogun ( <i>from January 1, 2015</i> )
Executive Director	Mr. Bode Olaibi

*\*Upon lapse of Mr. Wale Odutola's tenure as Managing Director on December 31, 2014, he continued to act as non executive director of the Company.*

Audit & Risk Committee

Chairman	Mr. Esan Ogunleye
Member	Mr. Ralph Osayameh
Member	Mr. Deji Alli
Member	Mrs. Chioma Okigbo

Investment Committee

Chairman	Dr. Segun Akin-Olugbade
Member	Mr. Steve Mayaki
Member	Mr. Deji Alli
Member	Mr. Deji Omotoso
Member	Mrs. Tayo Kola-Daisi
Member	Mr. Wale Odutola

Professional Advisers

Company Secretary	ARM Trustees Limited
Registrars	Africa Prudential Registrars Plc (formerly UBA Registrars Limited)
Auditors	KPMG Professional Services



My Fellow Shareholders,

I am pleased to welcome you to the 7th Annual General Meeting of our Company and present our operating results and key achievements for the 10-month financial period ended 31st December 2014, subsequent to the change in our accounting year from February 28th to December 31st.

The year 2014 was a turbulent one for the Nigerian economy. The collapse in global oil prices and ensuing foreign investment outflows resulted in significant currency volatility, and ultimately the devaluation of the Naira. The political tensions in the run up to the 2015 general elections, combined with the outbreak of the Ebola epidemic and a spike in terrorist activities, most notably the abduction of over 200 Nigerian girls from their school in Chibok, Borno State, fuelled a sense of insecurity and uncertainty in the country. Doing business was indeed difficult, and more demands were placed on the Board and Management of your Company to steer the Firm in the desired direction. It is against this backdrop that I present your Company's financials for the period ending 31st December 2014.

#### Review of the 2014 Operating Environment

The global economic picture remained difficult in 2014. Europe's economy continued to decline as unemployment spiralled in Spain, Greece and other parts of Southern and Eastern Europe, and the conflict between Russia and Ukraine generated significant apprehension in the region. Similarly, Japan continued in deep recession, and China experienced flat growth, while the Middle East continued to experience turmoil as a result of the spread of the Islamic State. India's economy however, demonstrated signs of rebounding consequent to the election of its new Prime Minister Narendra Modi, and the economies of the United States and United Kingdom grew marginally as domestic consumption picked up on account of improved labour markets, increased investment and accommodative monetary policy.

On the domestic front, the national GDP was rebased during the year to \$510 billion, positioning Nigeria as

the 26th largest economy in the world and the largest economy in Africa. GDP grew by 6.2 percent in 2014, compared to 5.4 percent over the same period in 2013, bolstered by stronger economic growth in the earlier part of the year. Inflation also maintained a single digit run for the second consecutive year averaging 8.1 percent.

Despite this broader growth, the crash in global oil prices resulted in extensive pressure on the Naira, which caused foreign exchange reserves to plummet as the CBN strived to defend the currency. Ultimately, however, the regulator was obliged to devalue the Naira to N168/\$ at the interbank foreign exchange market. Concomitantly, the Nigerian capital market recorded its worst performance since 2011, declining 16.1% compared to the 47% increase in 2013.

#### Our Industry

The real estate industry also experienced a general lull in 2014 as is typical in pre-election years. Inflow of capital was significantly lower as the nation attracted only \$3.96 billion in capital inflows. The Nigerian Mortgage Refinancing Company (NMRC) however received a significant boost with the execution of a Memorandum of understanding with a US based investment group for the investment of \$1 billion (about N200 billion). The firm has made arrangements to build 10,000 houses in Kaduna, Lagos, Enugu and Abuja within the next one year.

Development Finance Institutions (DFIs), such as Shelter Afrique and Agence Francaise De Development (AFD), are showing greater interest in Nigeria's real estate market with a view to assisting developers to bridge the country's housing deficit. Shelter Afrique stated that an equivalent of \$200 million has been put aside by the institution to support the real estate market in Nigeria while AFD partnered with Lafarge Nigeria and LAPO Microfinance Bank for a N1 billion affordable housing scheme in Nigeria. The N1 billion intervention is via a long term credit line of N1 billion from AFD to LAPO to support the joint programme, which is designed to involve 400 beneficiaries in the pilot phase. The World Bank and Real Estate Development Association of



Nigeria (REDAN) also concluded arrangements for the setting up of Mutual Credit Guarantee Scheme (MCGS) as part of efforts at “fast-tracking housing delivery in the country. This is expected to provide additional funding for developers.

The Lagos State Government also provided a reason for optimism as it reduced the cost of land transactions (Consent Fees, Capital Gains tax, Stamp Duty and Registration Fees) during the year. We remain expectant that these developments would help create a more enhanced market in 2015.

### Our Performance

I am pleased to report that despite the challenging international and domestic situation, the Group achieved a creditable result over the 10-month period which ended 31st December, 2014, with revenues of N8.1 billion and a profit after tax of N977.2 million.

During this period under review, we achieved the following:

1. Expanded the frontiers of our business internationally
2. Improved our project execution capabilities
3. Consolidated the real estate businesses within the ARM Group
4. Increased assets under management; and
5. Further diversified our product offering by adding new projects to our portfolio;

In addition to these, we were able to make appreciable progress in the construction of the first set of homes within the Lakowe Lakes Golf & Country Estate. We expect these homes to be delivered from the end of 2015. As we continue to deliver more of our products under construction, we expect to see a shift in our revenue mix with more focus on income from property sales.

Despite the 34% increase in your company's total revenues, profit after tax dipped by 45% due to increase of 29% in interest expenses. Furthermore, we had a N58 million impairment provision on our financial assets in line with the advice by the auditors. In light of these, the

Board hereby recommends, for your approval, the payment of a dividend of 20 kobo per share as distributions from our existing revenue reserves. If approved, the total dividend payable for the year will be N336 million.

### Company Outlook

This year the Management is pleased to announce that our parent company, Asset & Resource Management Company Limited (ARM), acquired a 100% stake in Mixta Africa; a real estate development company headquartered in Spain, with business presence in Morocco, Senegal, Tunisia, Mauritania, Algeria, Egypt and Cote d'Ivoire. Over the last decade, the Company has built a significant footprint in North and West Africa, and a strong track record in property development, with the delivery of over 6,000 homes. This acquisition is expected to expand the delivery capacity of ARM Properties Plc, which by your approval today would become Mixta Real Estate Plc, part of a truly Pan-African real estate development company — the first of its kind in Nigeria. In the coming years, we expect this transaction to positively and appreciably impact performance and translate to more spectacular results for you, our shareholders.

On behalf of the Board, I would like to thank you for your commitment to our vision and your continued interest in ARM Properties Plc.

Thank you for your attention.

**Hon. Justice George Oguntade (CFR)**  
Chairman



## OUR GOVERNANCE FRAMEWORK

A successful Corporate Governance program is largely hinged on the composition of the Board, and how members of the Board work together as a whole in achieving long-term value for all stakeholders. Over the years, ARM Properties Plc has instituted a Board of astute and consummate individuals with strong professional track record. The Company's Board maintains the fundamental purpose of the creation and delivery of long term value for its shareholders and adherence to good Corporate Governance policies continues to contribute to the overall and long term success of the Company.

## BOARD OF DIRECTORS

The Board is a considered blend of experience and knowledge and is well-diversified, with members being distinguished individuals. All members are well abreast of their responsibilities and are conversant with the Company's business, bringing their valued perspectives and expertise to the Board's deliberations. Besides possessing the requisite academic qualifications and experience in Board affairs, Directors are also able to exercise sound judgment on matters relating to its business. The Board diversity is considered a significant strategy in achieving the Firm's goals as they are responsible for driving the governance structure of the Company.

## BOARD STRUCTURE

The Board is composed of five (5) Non-Executive Directors including three (3) Independent Directors and one (1) Executive Director who is the Managing Director. The Managing Director is responsible for the day to day running of the Company.

## BOARD COMPOSITION

The Board is made up of the following members:

### 1. JUSTICE ADESOLA OGUNTADE (CFR) – CHAIRMAN (INDEPENDENT)

Justice Oguntade CFR is a retired Justice of the Supreme Court of Nigeria after an illustrious career at the bench spanning over 30 years. He was appointed a judge of the High Court of Lagos State of Nigeria in September 1980 after practicing at the Lagos Bar for 14 years.

### 2. MR. DAFE AKPEDEYE (SAN)- NON-EXECUTIVE DIRECTOR (INDEPENDENT)

Dafe Akpedeye, a Senior Advocate of Nigeria who currently lectures at the Delta State University, is also a Fellow of the Chartered Institute of Arbitrators and the Institute of Construction Industry Arbitrators. He is a member of the International Bar Association and sits on the National Executive Committee of Nigerian Bar Association.

### 3. CHIOMA OKIGBO - NON-EXECUTIVE DIRECTOR

Chioma is the Managing Director of ARM's Asset Management business. Chioma has a B.Sc Economics from the University of Nigeria, Nsukka, and is a pioneer alumnus of INSEAD's Transition to General Management Program.

### 4. ARCHITECT EDDY EGUAVOEN- NON-EXECUTIVE DIRECTOR (INDEPENDENT)

Eddy Eguavoen graduated from Ahmadu Bello University in 1973 with a first class professional degree in Architecture; and has been in practice for over 35 years. He is the founding principal partner at Voen Associates.



**5. DEJI ALLI - NON-EXECUTIVE DIRECTOR**

Deji Alli is the Founder and Chief Executive Officer of Asset & Resource Management Company Limited (ARM Group). He was conferred the National Honours Award - Officer of the Order of the Federal Republic (OFR) in 2014.

**6. WALE ODUTOLA - MANAGING DIRECTOR**

Wale Odutola, an Alumnus of the Harvard Business School with over 18 years experience in the financial sector is also a seasoned Portfolio Manager, with extensive global market experience in research and managing portfolios - equities and fixed income.

**7. BODE OLAIBI – EXECUTIVE DIRECTOR (OPERATIONS)**

Bode Olaibi is currently the Executive Director – Operations of ARM Properties Plc, a position he assumed in October 2014. He is responsible for the successful delivery of projects and the day-to-day operations of the company, ensuring the company achieves agreed revenue, cost, profit and cash-flow targets as well as pertinent key performance indicators. Bode is an experienced and passionate leader with an outstanding track record in management spanning over 15 years in private and public sector organizations across Europe and Nigeria.

He joined ARM as a Vice President in October 2008 and subsequently became - Group Head Programme Management Office with responsibility for the turnaround and delivery of challenged assets within the Group's Real Estate portfolio.

Bode holds a bachelor's degree in Economics from the University of Greenwich, London and he is an Oracle ERP specialist.

**THE ROLE OF THE BOARD**

The Board leads and provides direction for the Management by setting strategy and overseeing its implementation. It is also responsible for ensuring an effective system of internal control is maintained and that the Management maintains an effective risk management and oversight process across the Company, so growth is delivered in a controlled and sustainable way. The Board seeks to ensure that, while the ultimate focus is long-term growth, the Management also delivers on short-term objectives, striking the right balance between the two objectives.

**RESPONSIBILITIES OF THE BOARD**

The Board is responsible for:

- » Setting the strategic direction of the Company and approving strategic plan and annual operating budget;
- » Approving major capital projects and changes to the nature of business operations;
- » Approving major investments and divestments of the Company;
- » Approval of company's financial statements and changes to Company's accounting policies;
- » Appointments to the Board or the Executive Management team;

The Board meets quarterly as a minimum and holds an Annual General Meeting (AGM) with the shareholders of the Company.





## Attendance at Board Meetings

The Board met four times in 2014. The record of attendance is provided below:

	Names	Designation	March 27, 2014	August 12, 2014	September 10, 2014	December 19, 2014	
1	Hon. Justice Oguntade	Chairman	✓	X	✓	✓	3/4
2	Mr. Dafe Akpedeye SAN	Non-Executive Director	X	✓	✓	✓	3/4
3	Arc. Eddy Eguavoen	Non-Executive Director	✓	✓	✓	✓	4/4
4	Mr. Deji Alli	Non-Executive Director	✓	✓	✓	✓	4/4
5	Mrs. Chioma Okigbo	Non-Executive Director	✓	X	✓	✓	3/4
6	Mr. Wale Odutola	Managing Director	✓	✓	✓	✓	4/4
7	ARM Trustees	Company Secretary	✓	✓	✓	✓	4/4

## Board and Board Committees

The Board carries out its oversight functions using its Board Committees. This makes for efficiency and allows for a deeper attention to specific matters for the Board. The Committees are set up in line with statutory and regulatory requirements, and are consistent with global best practice. The Committees' roles and responsibilities are set out in their charter, which are reviewed periodically to ensure they remain relevant. In addition, the Committees' charters sets out the scope of authority, composition and procedures for reporting to the Board.

The two (2) standing Committees are as follows:

### BOARD AUDIT AND RISK COMMITTEE (BARC)

This Committee provides oversight functions with regard to both the Company's financial statements and its internal control and risk management functions. The prime functions of the Committee are:

- » To review the company's accounting policies, the contents of the financial reports, disclosure controls and procedures, management's approach to internal controls;
- » To review the adequacy and scope of the external and internal audit functions;
- » To ensure compliance with regulatory and financial reporting requirements; and
- » To provide assurance to the Board that Executive Management's control assurance processes are implemented and are complete and effective.

Attendance at the Board Audit & Risk Committee meetings for the year is shown in the table below:

	Names	Designation/ Membership	Aug 12, 2014	Dec 15, 2014	
1	Mr. Esan Ogunleye	Chairman	✓	✓	2/2
2	Mrs. Chioma Okigbo	Member	X	✓	1/2
3	Mr. Deji Alli	Member	✓	✓	2/2
4	Mr. Ralph Osayameh	Member	Not yet appointed	✓	1/1



### INVESTMENT COMMITTEE

The Investment Committee was established to assist in fulfilling Management's responsibilities relating to the Company's investment activities. The Committee has oversight responsibility for the design, approval, and evaluation of the finance and investment strategies, policies and programs of the Company. It approves all significant investments and ensures a balance between risks and returns.

The functions of the Committee include:

- » Carry out extensive due diligence on significant investment decisions and recommend to the Board
- » Consult with Management when considering important transactions, such as acquiring other businesses, obtaining loans or issuing securities
- » Review and approve:
  - Investment strategies, policies and guidelines
  - Investment portfolio performance
  - Performance of investment manager(s)
  - Company's need for capital and how it is to be allocated
- » Assesses the financial viability and execution mode for projects and transactions contemplated by core business units of the Company.

Composition of the Committee is shown in the table below:

	Names	Designation/Membership
1	Mr. Segun Akin-Olugbade	Chairman
2	Mr. Steve Mayaki	Member
3	Mr. Deji Alli	Member
4	Mrs Tayo Kola- Daisi	Member
5	Mr Wale Odutola	Member
6	Mr. Deji Omotoso	Member

### SHAREHOLDER RIGHTS

Each share registered entitles the holder to one vote at General Meetings. The General Meeting passes resolutions and elections with the absolute majority of the votes represented at the meeting. Shareholders also have the right to receive dividends and appoint proxies and hold such rights as granted by Nigerian Law. The Managing Director engages regularly with Shareholders.



The directors have the pleasure of presenting their report on the affairs of ARM Properties Plc ("ARM Properties" or "the Company") and its subsidiary companies (together "the Group") together with the financial statements and auditors' report for the period ended 31 December 2014.

### Principal activity

The Group provides property development and investment services. The Group undertakes real estate development projects with the aim of outright sale or lease of the properties to meet the needs of individuals and corporate bodies. The Company makes equity and debt investments in property development entities as part of its investment strategy.

### Legal form and business review

ARM Properties was initially incorporated as ARM Real Estate Investment Plc. in 6 February, 2006. Its name was changed to ARM Properties Plc on December 21, 2007.

The Company currently has six (6) subsidiaries; Crosstown Malls Properties Limited (99.9%), Adiva Properties Limited (99.9%), Oluwole Urban Mall Property Limited (70%), Oakland Properties Limited (99.9%), Toll System Development Company Limited - TSD (88%) and Summerville Golf Club Limited (67.9%). Summerville Golf Club Limited ("Summerville") was acquired during the year under review following the divestment of holdings by its parent company, Asset and Resource Management Company Limited ("ARM"). Details of the business combination are disclosed in note 9 to the financial statements.

The Company also acquired from ARM during the year, interest in a joint arrangement, Garden City Golf Estate Development Limited ("Garden City"). Garden City is a Limited Liability Company whose primary business activity is the development of golf courses and ancillary amenities. ARM Properties has joint control and owns 51% of the interest in Garden City.

### Operating results

The following is a summary of the Group and the Company's operating results for the period:

	Group 10 months 31 Dec 2014 N'000	Group 12 months 28 Feb 2014 N'000	Company 10 months 31 Dec 2014 N'000	Company 12 months 28 Feb 2014 N'000
Profit before income tax	1,454,364	2,100,929	328,021	481,234
Income tax expense	(477,138)	(371,438)	(149,389)	(154,601)
Profit for the period	977,226	1,729,491	178,632	326,633
Non-controlling interest	(85,669)	(455,183)	-	-
Profit attributable to shareholders	891,557	1,274,308	178,632	326,633
Basic and diluted earnings per share (kobo)	53k	76k	11k	19k

### Reporting period

The Company during the period changed its accounting year end from 28 February to 31 December in order to align its year end with other entities within the ARM Group.

### Dividends

The directors have recommended the payment of dividend of 20 kobo per share (February 2014: 17 kobo) on the issued share capital of 1,683,558,000 shares of 50kobo each for the period ended 31 December 2014. Withholding tax will be deducted at the time of payment.



## DIRECTORS' REPORT

For the period ended 31 December 2014

### Directors and their interests:

The directors who served during the year were:

Hon. Justice George Oguntade	-	Chairman
Mr. Wale Odutola (up until December 31, 2014)*	-	Managing Director
Mr. Kola Ashiru-Balogun (from January 1, 2015)	-	Managing Director
Mr. Deji Alli	-	Director
Mrs. Chioma Okigbo	-	Director
Mr. Bode Olaibi	-	Director
Mr. Dafe Akpedeye (SAN)	-	Director (Independent)
Arc. Eddy Eguavoen	-	Director (Independent)

\*Upon lapse of Mr. Wale Odutola's tenure as Managing Director on December 31, 2014, he continued to act as non executive director of the Company.

The direct interests of Directors in the issued share capital of the Company as recorded in the register of Directors shareholding and for the purposes of section 275 of the Companies and Allied Matters Act are as follows:

Names	Direct Holding	
	Dec 2014	Feb 2014
Hon. Justice George Oguntade	Nil	Nil
Mr. Wale Odutola	2	2
Mr. Kola Ashiru-Balogun	40,000	40,000
Mr. Deji Alli	2	2
Mrs. Chioma Okigbo	300,000	300,000
Mr. Bode Olaibi	Nil	Nil
Mr. Dafe Akpedeye (SAN)	Nil	Nil
Arc. Eddy Eguavoen	Nil	Nil

The Directors have not notified the Company of any indirect interests they hold in the shares of the Company for the purpose of sections 275 and 276 of the Companies and Allied Matters Act of Nigeria

### Substantial interest in shares

According to the register of members as at 31 December 2014, no shareholder held more than 5% of the issued share capital of the Company except the following:

Shareholders	31 December 2014		28 February 2014	
	Number of shares held	Percentage of Shareholding	Number of shares held	Percentage of Shareholding
Asset & Resource Management Company Limited	644,009,407	38.25%	644,009,407	38.25%
Watford Properties Limited	409,784,975	24.34%	409,784,975	24.34%
Vetiva Capital Management Limited	239,818,025	14.24%	239,818,025	14.24%
ARM Nominees Limited *	108,277,577	6.43%	108,277,577	6.43%

\* holds in trust shares on behalf of various investors

### Property and equipment

Information relating to changes in property and equipment is given in note 20 to the financial statements.



*For the period ended 31 December 2014*

#### Charitable and other donations:

The Group did not make any charitable donation during the period ended 31 December 2014. (28 February 2014: N1 million).

#### Health safety and welfare at work including employment of disabled persons

The Company does not have employees of its own, its affairs are managed by Asset & Resource Management Company Limited ("ARM") under a management service agreement.

ARM enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The Company retains top-class private hospitals where medical facilities are provided for staff and their immediate families at the Company's expense. Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

ARM operates a Group Personal Accident Insurance cover for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2014.

ARM welcomes applications from suitably qualified disabled persons. Where an employee becomes disabled, every effort is made to ensure continued employment. At present, the Group has no disabled employee.

#### Subsequent event

There were no subsequent events which could have had a material effect on the state of affairs of the Company and Group as at 31 December 2014 or the profit for the year ended on that date, which have not been adequately provided for or disclosed.

#### Auditors

The auditors, KPMG Professional Services have indicated their willingness to continue in office as auditors in accordance with Section 357 (2) of the Companies and Allied Matters Act of Nigeria.

#### BY ORDER OF THE BOARD

A blue ink signature is written over a blue rectangular stamp that reads 'ARM TRUSTEES LIMITED' in capital letters.

ARM Trustees Limited  
Company Secretary  
1, Mekunwen Road,  
Off Oyinkan Abayomi Drive,  
Ikoyi, Lagos.  
29 April 2015



## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

*For the period ended 31 December 2014*

The Directors accept responsibility for the preparation of these annual financial statements and other financial information set out on pages 26-89 that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

**Hon. Justice George Oguntade(CON)**  
FRC/2013/NBA/00000003886  
Chairman

29 April 2015

**Wale Odutola**  
FRC/2013/IODN/00000003766  
Managing Director

29 April 2015



*For the period ended 31 December 2014*

**To the members of ARM Properties Plc**

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of ARM Properties Plc hereby report on the financial statements for the period ended 31 December 2014 as follows:

- We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act of Nigeria, and acknowledge the co-operation of management and staff in the conduct of these responsibilities.
- We are of the opinion that the accounting and reporting policies of the Company and Group are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the period ended 31 December 2014 were satisfactory and reinforce the Group's internal control systems.
- We have deliberated on the findings of the external auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses thereon to the external auditor's recommendations on accounting and internal control.

A handwritten signature in black ink, appearing to read 'Esan Ogunleye', written over a horizontal line.

Mr. Esan Ogunleye  
FRC/2013/CIBN/00000003821  
Chairman, Audit Committee  
29 April 2015

Members of the audit committee are:

- |   |                    |                        |
|---|--------------------|------------------------|
| 1 | Mr. Esan Ogunleye  | Chairman               |
| 2 | Mr. Deji Alli      | Director (Independent) |
| 3 | Mrs. Chioma Okigbo | Director (Independent) |



**KPMG Professional Services**  
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Internet [www.kpmg.com/ng](http://www.kpmg.com/ng)

## INDEPENDENT AUDITOR'S REPORT

To the Members of **ARM Properties Plc.**

### Report on the Financial Statements

We have audited the accompanying financial statements of **ARM Properties Plc** ('the Company') and its subsidiary companies (together 'the Group'), which comprise the consolidated and separate statements of financial position as at 31 December 2014, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity, and the consolidated and separate statements of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 - 86.

#### *Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council Act of Nigeria, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

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

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Abayomi D. Sanni  
Adewale K. Ajayi  
Ayo L. Salami  
Joseph O. Tegbe  
Oladimeji I. Salaudeen  
Oluseyi T. Bickersteth  
Victor U. Onyenkpa

Adebisi O. Lamikanra  
Ajibola O. Olomola  
Chibuzor N. Anyanechi  
Kabir O. Okunlola  
Olanike I. James  
Oluwafemi O. Awotoye

Adekunle A. Elebute  
Akinyemi J. Ashade  
Goodluck C. Obi  
Mohammed M. Adams  
Olumide O. Olayinka  
Oluwatoyin A. Gbagi

Adetola P. Adeyemi  
Ayodele H. Othihiwa  
Ibitomi M. Adepoju  
Oladapo R. Okubadejo  
Olusegun A. Sowande  
Tayo I. Ogungbenro





*Opinion*

In our opinion, these financial statements give a true and fair view of the financial position of ARM Properties Plc ('the Company') and its subsidiaries (together 'the Group') as at 31 December 2014, and of the Group and Company's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

**Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria*

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

Signed:

**Akinyemi Ashade, FCA**  
FRC/2013/ICAN/00000000786  
For: KPMG Professional Services  
Chartered Accountant  
28 July 2015  
Lagos, Nigeria.





CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2014

<i>In thousands of Naira</i>		Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
	Notes				
Sales of trading properties	10	6,503,052	128,009	257,994	-
Cost of sales- trading properties	11	(5,734,606)	(220,612)	(232,981)	-
<b>Profit / (loss) on sale of trading properties</b>		<b>768,446</b>	<b>(92,603)</b>	<b>25,013</b>	<b>-</b>
Fair value gain on investment property	12	941,610	1,661,769	-	-
Interest income	13	583,412	753,281	657,357	685,634
Other income	14	90,122	151,283	64,455	43,986
<b>Other Operating Income</b>		<b>1,615,144</b>	<b>2,566,333</b>	<b>721,812</b>	<b>729,620</b>
Net impairment (loss)/credit on financial assets	15	(13,300)	95,415	(58,209)	68,387
Operating expenses	16	(360,224)	(281,231)	(117,435)	(128,731)
<b>Total expenses</b>		<b>(373,524)</b>	<b>(185,816)</b>	<b>(175,644)</b>	<b>(60,344)</b>
<b>Operating profit before finance costs</b>		<b>2,010,066</b>	<b>2,287,914</b>	<b>571,181</b>	<b>669,276</b>
Finance costs	18	(555,702)	(186,985)	(243,160)	(188,042)
<b>Profit before income tax</b>		<b>1,454,364</b>	<b>2,100,929</b>	<b>328,021</b>	<b>481,234</b>
Income tax expense	31(b)	(477,138)	(371,438)	(149,389)	(154,601)
<b>Profit for the period/year</b>		<b>977,226</b>	<b>1,729,491</b>	<b>178,632</b>	<b>326,633</b>
Other comprehensive income		-	-	-	-
Other comprehensive income net of tax		-	-	-	-
<b>Total comprehensive income for the period/year</b>		<b>977,226</b>	<b>1,729,491</b>	<b>178,632</b>	<b>326,633</b>
<b>Profit attributable to:</b>					
Equity holders		891,557	1,274,308	178,632	326,633
Non-controlling interests		85,669	455,183	-	-
		<b>977,226</b>	<b>1,729,491</b>	<b>178,632</b>	<b>326,633</b>
<b>– Earnings per share (in kobo)</b>	<b>19</b>	<b>53k</b>	<b>76k</b>	<b>11k</b>	<b>19k</b>

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION



For the period ended 31 December 2014

<i>In thousands of naira</i>	Notes	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
<b>Non-current assets</b>					
Property and equipment	20	12,791,751	-	-	-
Investment property	21	54,613,380	53,671,770	-	-
Investment in subsidiaries	22	-	-	31,608,026	31,606,776
Equity-accounted investment	23	2,506,350	-	2,505,100	-
Loans to related entities	24(d)	558,852	1,311,831	3,384,802	1,311,831
<b>Total non-current assets</b>		<b>70,470,333</b>	<b>54,983,601</b>	<b>37,497,928</b>	<b>32,918,607</b>
<b>Current assets</b>					
Loan to related entities	24(d)	4,253,150	2,468,840	8,475,895	3,068,237
Trading properties	25	27,678,398	11,245,416	3,096,787	3,352,091
Debtors and prepayments	26	8,445,811	10,712,701	4,782,373	4,031,689
Cash and cash equivalent	27	2,107,529	999,578	224,701	713,727
<b>Total current assets</b>		<b>42,484,888</b>	<b>25,426,535</b>	<b>16,579,756</b>	<b>11,165,744</b>
<b>Total assets</b>		<b>112,955,221</b>	<b>80,410,136</b>	<b>54,077,684</b>	<b>44,084,351</b>
<b>Non-current liabilities</b>					
Borrowings	30(c)	3,455,725	-	107,709	-
Deferred tax liabilities	28(a)	5,403,120	5,308,959	-	-
Deposit for shares	29(a)	31,856,738	16,948,980	31,606,738	16,948,980
<b>Total non-current liabilities</b>		<b>40,715,583</b>	<b>22,257,939</b>	<b>31,714,447</b>	<b>16,948,980</b>
<b>Current liabilities</b>					
Borrowings	30(c)	13,996,751	1,241,162	3,268,546	1,084,176
Current income tax liability	31(a)	2,202,136	1,833,255	595,775	460,482
Other liabilities and accruals	32	28,262,014	25,073,504	12,931,209	17,759,433
<b>Total current liabilities</b>		<b>44,460,901</b>	<b>28,147,921</b>	<b>16,795,530</b>	<b>19,304,091</b>
<b>Total liabilities</b>		<b>85,176,484</b>	<b>50,405,860</b>	<b>48,509,977</b>	<b>36,253,071</b>
<b>Equity</b>					
Share capital	33(b)	841,779	841,779	841,779	841,779
Share premium	34	5,819,185	5,819,185	5,819,185	5,819,185
Capital reserve	35	(2,658,516)	-	(2,156,000)	-
Retained earnings	36	17,473,030	16,867,678	1,062,743	1,170,316
		21,475,478	23,528,642	5,567,707	7,831,280
Non-controlling interest	37	6,303,259	6,475,634	-	-
<b>Total equity</b>		<b>27,778,737</b>	<b>30,004,276</b>	<b>5,567,707</b>	<b>7,831,280</b>
<b>Total liabilities and equity</b>		<b>112,955,221</b>	<b>80,410,136</b>	<b>54,077,684</b>	<b>44,084,351</b>

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

**Hon. Justice George Oguntade (CON)**  
FRC/2013/NBA/00000003886  
Chairman

**Wale Odutola**  
FRC/2013/IODN/00000003766  
Managing Director

**Rahman Akinwonmi**  
FRC/2013/ICAN/00000002759  
Chief Financial Officer

Approved by the Board of Directors on 29 April 2015

The accompanying notes form an integral part of the financial statements.



## CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2014

GROUP	Share capital	Share premium	Retained earnings	Common control acquisition deficit	Non controlling Interest	Total equity
<i>In thousands of naira</i>						
Balance at 28 February 2014	841,779	5,819,185	16,867,678	-	6,475,634	30,004,276
<i>Total comprehensive income for the period:</i>						
Profit for the year	-	-	891,557	-	85,669	977,226
Other comprehensive income, net of tax	-	-	-	-	-	-
	-	-	891,557	-	85,669	977,226
<i>Transactions with equity holders</i>						
Transfers from business combination	-	-	-	(502,516)	(236,535)	(739,051)
Decrease in non-controlling interest	-	-	-	-	(21,509)	(21,509)
Loss on acquisition under common control	-	-	-	(2,156,000)	-	(2,156,000)
Dividend	-	-	(286,205)	-	-	(286,205)
	-	-	(286,205)	2,658,518	(258,044)	(3,202,765)
Balance at 31 December 2014	841,779	5,819,185	17,473,030	2,658,518	6,303,259	27,778,737
<i>In thousands of naira</i>						
Balance at 29 February 2013	841,779	5,819,185	15,516,358	-	14,642,564	36,819,886
<i>Total comprehensive income for the year:</i>						
Profit for the year	-	-	1,274,308	-	455,183	1,729,491
Other comprehensive income, net of tax	-	-	-	-	-	-
	-	-	1,274,308	-	455,183	1,729,491
<i>Transactions with equity holders</i>						
Dilution of interest held by non controlling interest	-	-	-	-	(8,622,113)	(8,622,113)
Gain on acquisition under common control	-	-	279,039	-	-	279,039
Dividend paid	-	-	(202,027)	-	-	(202,027)
	-	-	77,012	-	(8,622,113)	(8,545,101)
Balance at 28 February 2014	841,779	5,819,185	16,867,678	-	6,475,634	30,004,276
COMPANY						
<i>In thousands of naira</i>						
Balance at 28 February 2014		841,779	5,819,185	-	1,170,316	7,831,280
<i>Total comprehensive income for the period:</i>						
Profit for the year		-	-	-	178,632	178,632
Other comprehensive income, net of tax		-	-	-	-	-
		-	-	-	178,632	178,632
<i>Transactions with equity holders</i>						
Loss on acquisition under common control		-	-	(2,156,000)	-	(2,156,000)
Dividend paid		-	-	-	(286,205)	(286,205)
Balance at 31 December 2014		841,779	5,819,185	(2,156,000)	1,062,743	5,567,707
<i>In thousands of naira</i>						
Balance at 28 February 2013		841,779	5,819,185	-	1,045,710	7,706,674
<i>Total comprehensive income for the year:</i>						
Profit for the period		-	-	-	326,633	326,633
Other comprehensive income, net of tax		-	-	-	-	-
		-	-	-	326,633	326,633
<i>Transactions with equity holders</i>						
Dividend paid		-	-	-	(202,027)	(202,027)
Balance at 28 February 2014		841,779	5,819,185	-	1,170,316	7,831,280

## CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS



For the period ended 31 December 2014

<i>In thousands of naira</i>		Group 10 months 31-Dec-14	Group 12 months 28-Feb-14	Company 10 months 31-Dec-14	Company 12 months 28-Feb-14
	Notes				
<b>Operating activities:</b>					
Profit for the period/year		977,226	1,729,491	178,632	326,633
Income tax expense	31(b)	477,138	371,438	149,389	154,601
Profit before income tax		1,454,364	2,100,929	328,021	481,234
Adjustments to reconcile profit before taxation to net cash flow from operating activities:					
- Impairment losses	15	13,300	(95,415)	58,209	(68,387)
- Fair value gain on investment property	12	(941,610)	(1,661,769)	-	-
- Interest income earned	13	(583,412)	(753,281)	(657,357)	(685,634)
- Exchange loss	16	118,195	-	3,386	-
Net cash flow from operating activities before changes in operating assets and liabilities		60,837	(409,536)	(267,741)	(272,787)
Interest income received	13	35,843	144,947	12,872	77,300
<b>Changes in operating assets and liabilities</b>					
- Loan to related entities	38(a)	(4,425,455)	98,537	(7,409)	9,420
- Debtor and receivable	38(b)	(125,671)	(1,012,534)	(240,419)	6,628
- Trading properties	38(c)	4,683,421	(59,319)	255,304	-
- Other liabilities and accruals	38(d)	(963,744)	1,275,317	(600,147)	923,062
		(734,769)	37,412	(847,540)	743,623
Income tax paid	31(a)	(14,096)	(154,096)	(14,096)	(154,096)
<b>Net cash flow from operating activities</b>		<b>(748,865)</b>	<b>(116,684)</b>	<b>(861,635)</b>	<b>589,527</b>
<b>Investing activities:</b>					
Acquisition of subsidiary, net of cash acquired	9(f)	1,514,253	-	-	-
Acquisition of equity accounted investee	23(b)	(1,633,265)	-	(1,633,265)	-
<b>Net cash flow from investing activities</b>		<b>(119,012)</b>	<b>-</b>	<b>(1,633,265)</b>	<b>-</b>
<b>Financing activities:</b>					
Dividend Paid		(286,205)	(202,027)	(286,205)	(202,027)
Proceeds from borrowings	30(d)	2,645,269	239,575	2,298,779	355,617
Repayment of borrowings	30(d)	(383,236)	(365,457)	(6,700)	(123,545)
<b>Net cash flow from financing activities</b>		<b>1,975,828</b>	<b>(327,909)</b>	<b>2,005,874</b>	<b>30,045</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,107,951</b>	<b>(444,593)</b>	<b>(489,026)</b>	<b>619,572</b>
Cash and cash equivalent as at beginning of the year	27	999,578	1,444,171	713,727	94,155
<b>Cash and cash equivalent as at year end</b>	<b>27</b>	<b>2,107,529</b>	<b>999,578</b>	<b>224,701</b>	<b>713,727</b>



### 1 Reporting entity

ARM Properties Plc is a Company domiciled in Nigeria. The registered address of the Company's office is 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos. The consolidated financial statements of the Company as at and for the period ended 31 December 2014 includes the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group offers real estate services to meet clients' needs.

ARM Properties is a subsidiary of Asset & Resource Management Company Ltd ("ARM") which is the ultimate parent Company. ARM is primarily involved in non-pension asset management. The address of ARM's registered office is 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos.

### 2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

### 3 Basis of preparation

#### (a) Reporting period

The statement of financial position has been prepared for a 10 month period. ARM Properties during the period changed its accounting year end from 28 February to 31 December in order to align its year end with other entities within the ARM Group.

#### b) Functional and presentation currency

These consolidated and separate financial statements are presented in Naira, which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousands.

#### c) Basis of measurement

These consolidated and separate financial statements are prepared on the historical cost basis except for investment properties which is measured at fair value and trading properties measured at the lower of cost and net realizable value.

#### d) Use of estimates and judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in the note 8 to the account.

#### e) New standards and interpretations not yet adopted

A number of new standards, amendment to standards and interpretations are effective for annual periods beginning after 1 January 2015; however, the Group and Company have not applied the following new or amended standards in preparing these consolidated and separate financial statements.

## NOTES TO THE FINANCIAL STATEMENTS



*For the period ended 31 December 2014*

Those which may be relevant to the Group and Company are set out below. The Group and Company do not plan to early adopt these standards. These will be adopted in the period that they become mandatory unless otherwise indicated:

Standard/Interpretation	Date issued by IASB	Effective date <i>Periods beginning on or after</i>	Summary of the requirements and assessment of impact
IFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	May 2014	1 January 2016 Early adoption is permitted	The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interest in the joint operation will not be remeasured. As a consequence of these amendments, the Group will amend its accounting policy with effect from 1 January 2016 for acquisitions of interests in a joint operation. The amendments apply prospectively.
IAS 27 <i>Equity method in Separate Financial Statements</i>	August 2014	1 January 2016 Early adoption is permitted	The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in associates and joint ventures. The amendments apply retrospectively.
IFRS 10, IFRS 12 and IAS 28 <i>Investment Entities: Applying the Consolidation Exception</i>	December 2014	1 January 2016 Early adoption is permitted	The amendment to IFRS 10 Consolidated Financial Statements clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity's parent or ultimate parent to prepare consolidated financial statements. The amendment clarifies that this condition is also met where the ultimate parent or any intermediary parent of a parent entity measures subsidiaries at fair value through profit or loss in accordance with IFRS 10 and not only where the ultimate parent or intermediate parent consolidates its subsidiaries. The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

Standard/Interpretation	Date issued by IASB	Effective date <i>Periods beginning on or after</i>	Summary of the requirements and assessment of impact
			<p>The amendment to IAS 28 <i>Investments in Associates and Joint Ventures</i> modifies the conditions where an entity need not apply the equity method to its investments in associates or joint ventures to align these to the amended IFRS 10 conditions for not presenting consolidated financial statements.</p> <p>The amendments introduce relief when applying the equity method which permits a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.</p> <p>The amendments apply retrospectively.</p>
IFRS 15 <i>Revenue from contracts with customers</i>	May 2014	1 January 2017 Early adoption is permitted	<p>This standard replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue</i>, IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services</i>.</p> <p>The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized.</p> <p>This new standard will most likely have a significant impact on the Group, which will include a possible change in the timing of when revenue is recognized and the amount of revenue recognized. The Group is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ending 31 December 2015 financial statements.</p>
IFRS 9 Financial Instruments	July 2014	1 January 2018 Early adoption is permitted	<p>This standard will have a significant impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortized cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different.</p>





Standard/Interpretation	Date issued by IASB	Effective date <i>Periods beginning on or after</i>	Summary of the requirements and assessment of impact
			<p>In addition, the IFRS 9 impairment model has been changed from an “incurred loss” model from IAS 39 to an “expected credit loss” model, which is expected to increase the provision for bad debts recognized in the Group.</p> <p>The amendments apply retrospectively. The Group will adopt the amendments for the year ending 31 December 2018.</p>

#### 4 Changes in accounting policies

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 5 to all periods presented in these financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2014.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
- IFRIC 21 Levies

The nature and effect of the changes are explained below.

##### (a) *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)*

Amendment to IAS 32 clarify the offsetting criteria in IAS 32 by explaining when an entity has a legally enforceable right to set-off and when gross settlement is equivalent to net settlement. The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Early adoption is permitted.

As a result of the amendments to IAS 32, the Group has changed its accounting policy for offsetting financial assets and financial liabilities. The change did not have a material impact on the Group's financial statements.

##### (b) *IFRIC 21 Levies*

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g. IAS 12 Income Taxes) and fines or other penalties for breaches of legislation.

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

This change did not have a material impact.

#### 5 Significant accounting policies

Except for the changes explained in Note 4 above, the Group consistently applied the following accounting policies presented in the financial statements.



(a) Basis of consolidation

(i) *Subsidiaries*

The group consolidates the annual financial statements of investees which it controls. The group controls an investee when:

- it has power over the investee;
- has exposure or rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the returns from its involvement with the investee.

The annual financial statements of the investee are consolidated from the date on which the group acquires control up to the date that control ceases. Control is assessed on a continuous basis.

Intra group transactions, balances and unrealized gains and losses are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

The proportion of comprehensive income and changes in equity allocated to the group and non-controlling interests are determined on the basis of the group's present ownership interest in the subsidiary.

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually and impaired (limited to initial cost) when necessary.

(ii) *Business combinations*

The Group applies IFRS 3 *Business Combinations* in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognized in profit or loss immediately.

The Group measures goodwill at the acquisition date as the total of:

- the fair value of the consideration transferred, which is generally measured at fair value; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

In the separate financial statements of the Bank, investments in subsidiaries are accounted for at cost.

(iii) *Transactions eliminated on consolidation*

Intra-group transactions, balances and any unrealised incomes and expenses on transactions between companies within the Group (except for foreign currency transactions gains or losses) are eliminated in preparing



the consolidated financial statements. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

*(iv) Transactions with non-controlling interests*

Transactions with non-controlling interests that do not result in the gain or loss of control, are accounted for as transactions with equity holders of the group. For purchases of additional interests from non-controlling interests, the difference between the purchase consideration and the group's proportionate share of the subsidiary's additional net asset value acquired is accounted for directly in equity. Gains or losses on the partial disposal (where control is not lost) of the group's interest in a subsidiary to non-controlling interests are also accounted for directly in equity.

*(v) Common control transactions*

Common control transactions, in which the Company is the ultimate parent entity both before and after the transaction, are accounted for at book value.

The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

*(vi) Non controlling interests (NCI)*

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

*(vii) Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*(viii) Joint ventures*

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control for strategic financial and operating decisions. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the Group's share of the results of operations of the joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint ventures.



The financial statements of the joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, then recognises the loss in the statement of profit/(loss).

### (b) Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Naira at the rate of exchange ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the statement of comprehensive income. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at that date. Exchange gains arising from the revaluation of monetary assets and liabilities are recognized in the statement of comprehensive income while those on non-monetary items are recognized in other comprehensive income. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded directly in equity until the asset is disposed or impaired.

### (c) Interest income and expense

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

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

### (d) Borrowing costs

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

Interest is capitalised as from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (e) Revenue Recognition

#### *Construction contracts*

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



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

When the outcome of a construction cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

#### *Contract revenue*

Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue, and they can be reliably measured.

#### *Contract costs*

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

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

#### *Sale of trading properties*

Revenue from the sale of trading properties is recognized by the entity when a significant portion of the risks and rewards of ownership have been transferred to the customer; all managerial responsibilities and control are completely devolved to the customer and where the costs and income on sale can be measured reliably. Risks and rewards are transferred when the legal title or possession is passed to the customer.

#### *Rental income*

Rental income from investment property leased out under an operating lease is recognized in the comprehensive income on a straight-line basis over the term of the lease.

#### *Services fees*

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

#### (f) *Income tax expense*

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.



### *Current tax*

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

The Company is subject to the Companies Income Tax Act (CITA). Total amount of tax payable under CITA is determined based on the higher of two components namely Company income tax (based on taxable income (or loss) for the year; and Minimum tax (determined based on the sum of the highest of 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets and 0.125% of revenue in excess of N500,000). Taxes based on taxable profit for the period are treated as current income tax in line with IAS 12; whereas taxes which is based on gross amounts is outside the scope of IAS 12 and therefore are not treated as current income tax.

Where the minimum tax is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above income tax line as minimum tax.

### *Deferred tax*

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties held for sale that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered entirely through the sale unless the presumption is rebutted. The presumption is rebutted when the investment properties held for sale is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Management has reviewed the Group's investment properties held for sale portfolio and concluded that none of the Group's investment properties held for sale are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Although, Management has determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted, the Group has elected to recognise deferred tax on changes in fair value of the investment properties held for sale as the Group is subject to capital gains taxes on disposal of its investment properties.



(g) Financial assets and liabilities

*Recognition*

The Group initially recognizes financial assets and liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument except for loans and advances and long term borrowing which are recognized on the date that they are originated.

*De-recognition*

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the balance sheet. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognizes the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

*Initial measurement*

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

*Subsequent measurement*

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as at fair value through profit or loss or available-for-sale.

Loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses. Transaction costs that are integral to the effective rate are capitalized to the value of the loan and amortized through interest income as part of the effective interest rate. All of the Group's advances are included in the loans and receivables category.

(ii) *Financial liabilities*

The Group classifies its financial liabilities as measured at amortized cost.

(iii) *Amortized cost measurement*

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(iv) *Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction



between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in Income statement on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, the Group measures the assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk are managed by the Group on the basis of the net exposure to either market or credit risk. The net exposure is measured on the basis of a price that would be received to see a net long position (or paid to transfer a net short position) for a particular exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Group recognizes transfers between levels of fair value hierarchy as of the end of the reporting period during which the change has occurred.

### (v) Identification and measurement of impairment

#### *Assets carried at amortized cost*

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

The following factors are considered in assessing objective evidence of impairment:

- whether the customer is more than 90 days past due;
- the Group consents to a restructuring of the obligation, resulting in a diminished financial obligation, demonstrated by a material forgiveness of debt or postponement of scheduled payments; or
- there is an observable data indicating that there is a measurable decrease in the estimated future cash flows of a group of financial assets, although the decrease cannot yet be identified with specific individual financial assets.

The Group assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an





individually assessed financial asset, whether significant or not, the Group concludes that no collective provision is required because all possible risks have been considered in the individual impairment tests.

If there is objective evidence that an impairment loss on a loan and receivable asset has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure, less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

To the extent that a loan is irrecoverable, it is written off against the related allowance for loan impairment.

Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowance for loan impairment in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

**(h) Offsetting financial instruments**

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains and losses arising from a group of similar transactions.

**(i) Sale and repurchase agreements**

Securities sold subject to repurchase agreements ('repos') remain on the statement of financial position; the counterparty liability is included in amounts due to other Companies, deposits from Companies, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (reverse repos) are recorded as loans and advances to other Companies or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest rate method.

**(j) Cash and cash equivalents**

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

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

**(k) Property and equipment**

*i Recognition and measurement*

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost



includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

*ii Subsequent costs*

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

*iii Depreciation*

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The estimated useful lives for the current and comparative period are as follows:

Land	Over the unexpired term in 99 year lease
Building	50 years
Golf course improvements	50 years
Motor vehicles	4 years
Plant & Machinery	5 years
Furniture & fittings	5 years
Computer and office equipment	5 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

*iv Property and equipment held for sale*

Non-current property and equipment the Group has decided to sell that meet the classification requirements in IFRS 5 are classified as non-current assets held for sale and recorded in other assets. Upon classification as held for sale, they are no longer depreciated and are carried at the lower of book value or fair value less costs to sell.

*v De-recognition*

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

*(l) Investment property*

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.



Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (see Note 5 (d)). After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

#### (m) Intangible assets

##### (l) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquire. When the excess is negative (gain on bargain purchase), it is recognized immediately in profit or loss. When the excess is positive (goodwill), it is recognized in the statement of financial position as a non-current asset and subject to impairment.

##### *Acquisitions of non-controlling interests*

Goodwill arising on the acquisition of a non-controlling interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

##### *Subsequent measurement*

Goodwill is measured at cost less accumulated impairment losses.

#### (n) Leased assets – lessee

Leases in terms of which the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and are not recognized on the Group's statement of financial position.



**(o) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets other than goodwill and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of goodwill is estimated annually.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

**(p) Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for. A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

**(q) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance cost over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

**(r) Share capital and reserves**

*Share issue costs*

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



#### *Dividend on ordinary shares*

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

#### *Treasury shares*

Where the Company or any member of the Group purchases the Company's shares, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

#### *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### (s) Trading properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as trading property.

Where there is a change in use of investment properties evidenced by the commencement of development with a view to sale, a reclassification is made to trading properties at their deemed cost which is the fair value at the date of reclassification. This would normally comprise expenditure incurred in acquiring the properties, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Trading properties are subsequently measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the carrying amount of such property at the date of disposal.

## 6 Financial risk management

### (a) Introduction

At ARM Properties, through the ARM Group; we have adopted an encompassing Enterprise Risk Management (ERM) framework that considers risk from a comprehensive and integrated standpoint. This has been achieved through an independent Risk Management function which oversees risk exposures across the Group. The Group Risk Management function works closely with all business managers in order to address identified risks in a timely manner.

#### **Objectives of Risk Management**

We understand that adding value to the Company will require supporting the actualization of business objectives through timely identification, effective assessment, mitigation and transparent reporting of risks. Therefore, we have taken steps to ensure that risk management processes are driven by skilled risk management personnel, within an environment of strong risk awareness and accountability. In order to continuously deliver value-driven risk management practices our strategies are built around four core factors identified below:

**Business Sustainability:** This represents resiliency over time. It involves our organisation's ability to withstand and survive significant internal and external shocks.

**Accountability:** This represents our organisation's and business manager's obligations to account for our activities, accept responsibility for them, and to disclose the results in a transparent manner.



**Operational Efficiency:** This represents our capability to deliver services in the most cost-effective manner possible while still maintaining the highest feasible quality standards.

**Risk/Reward Alignment:** This is an optimization concept that seeks to achieve maximum possible return for each unit of risk taken.

### (b) Business Risk Review - Risk Factors

Below are some risks that could adversely affect the Group. The Group has employed different measures in addressing these risks; however, this summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

1. The Group actively pursues development opportunities; hence, unsuccessful developments or a slowdown in development activities could adversely impact the Group's reputation, revenue growth and profitability.
2. Inadequate market demand for the Firm's product offerings – commercial and residential real estate, would result in higher than envisaged inventory of home units; and would impact the Group's revenue growth and/or profitability.
3. The inability or unwillingness of property buyers to meet their installment obligations for properties they have committed to purchase as at when due. This could significantly impact completion timelines, cost and quality of the development project.
4. Federal Government policies and regulatory changes could have an impact on the Group's business practices.
5. The Group's business activities are funded through a capital combination of debt and equity. Therefore, difficulties in obtaining long-term project finance for development projects from financial institutions could make project financing difficult.
6. Due to the illiquid nature of real estate investments, the Group could be unable to alter the investment portfolio at an acceptable return in response to changes in economic conditions.
7. The risk that inadequacies or failures of project contractors would adversely impact project completion timelines, project cost and project quality.

### (c) Risk Management Framework

The Company's risk management framework is built around core components such as Governance, Strategy and Policies, on the one hand, and Systems, Tools and People, on the other. The framework allows for the Company's risk exposure to be proactively managed through a constant process of Identification, evaluation, management/monitoring and reporting. In order to maintain continuous compliance with required regulations, guidelines for Risk Management Framework has been at the centre of building our value-driven risk management processes.

In order to maintain continuous compliance with required regulations, guidelines for Risk Management Framework has been at the centre of building our value-driven risk management processes.

The governance process clearly states the responsibilities for managing, monitoring and reporting risks. To support this governance process, we rely on various policies and methodologies. Each Risk management tool is established and guided by a well-documented policy and procedure manual. The Risk Management Framework document specifies the company's risk tolerance, risk limits and authorities, reporting requirements, and procedures for referring risk issues to Executive Management, the Board of Directors and the Board Audit and Risk Committee (BARC).

An independent Risk Management function which monitors risk exposures across the Group works closely with all business managers in order to identify and address risks in a timely manner and within acceptable corporate risk profile. In order to sufficiently capture the interrelationships among the various risk exposures, our risk management approach fits in an encompassing Enterprise Risk Management (ERM) framework which addresses the risks we assume while conducting our business, in broad risk categories as summarized below:



## 6.1 Market Risk and Investment Risk

This is the risk of loss occurring as a result of unfavourable changes in fair values of financial instruments such as equity prices, foreign exchange rates and interest rates.

The Group is exposed to Market Risk due to possible fluctuations in factors such as foreign exchange rates and interest rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns. The Group's market risk management practice seeks to achieve this through finding the appropriate balance between risk and return in its investment decisions thereby reducing volatility to capital and earnings. Additionally, investment decisions go through the appropriate level of authorization before they are executed.

### 6.1.1 Interest rate risk

Interest rate risk is the risk of loss of interest income arising from changes in market interest rates. The Group carries some interest rate sensitive assets and liabilities which reprice at varying frequencies.

Although the Group has reasonable amount of interest-bearing assets and liabilities, its income and operating cashflows are substantially independent of changes in market interest rates because a majority of these instruments have been priced with fixed rates that reprice infrequently.

The analysis below describes reasonably possible movements in interest rates with all other variables held constant, showing the impact on net interest income.

#### Repricing period of financial assets and liabilities

The table below analyses the Group's interest rate risk exposure on financial assets and liabilities. The financial assets and liabilities are included at carrying amount and categorised by the earlier of contractual repricing or maturity dates.

#### Group

As at Dec 31, 2014

	Up to 3 months	Interest bearing instruments		Over 12 months	Non-interest bearing instruments	Total
		4 - 6 months	7 - 12 months			
<i>In thousands of naira</i>						
Cash and cash equivalents	1,886,503	-	-	-	221,026	2,107,529
Loans to related entities	384,384	906,944	-	3,520,674	-	4,812,002
	2,270,887	906,944	-	3,520,674	221,026	6,919,531
Borrowings	7,031,154	1,853,150	594,144	7,974,028	-	17,452,476
Gap	(4,760,267)	(946,206)	(594,144)	(4,453,354)	221,026	(10,532,945)
Cumulative Gap	(4,760,267)	(5,706,473)	(6,300,617)	(10,753,971)	(10,532,945)	
<b>Interest Rate Shock</b>						
1%	(47,603)	(57,065)	(63,006)	(107,540)		
2%	(95,205)	(114,129)	(126,012)	(215,079)		
-1%	47,603	57,065	63,006	107,540		
-2%	95,205	114,129	126,012	215,079		



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

As at Feb 28, 2014

	Interest bearing instruments				Non-interest bearing instruments	Total
	Up to 3 months	4 - 6 months	7 - 12 months	Over 12 months		
<i>In thousands of naira</i>						
Cash and cash equivalents	174,143	-	-	-	825,435	999,578
Loans to related entities	-	-	2,983,161	797,510	-	3,780,671
	174,143	-	2,983,161	797,510	825,435	4,780,249
Borrowings	9,727	79,975	40,135	1,111,326	-	1,241,162
Gap	164,416	(79,975)	2,943,026	(313,816)	825,435	3,539,087
Cumulative Gap	164,416	84,442	3,027,468	2,713,652	3,539,087	

### Interest Rate Shock

1%	1,644	844	30,275	27,137
2%	3,288	1,689	60,549	54,273
-1%	(1,644)	(844)	(30,275)	(27,137)
-2%	(3,288)	(1,689)	(60,549)	(54,273)

### Company

As at Dec 31, 2014

	Interest bearing instruments				Non-interest bearing instruments	Total
	Up to 3 months	4 - 6 months	7 - 12 months	Over 12 months		
<i>In thousands of naira</i>						
Cash and cash equivalents	209,375	-	-	-	15,326	224,701
Loans to related entities	383,623	906,944	-	10,570,130	-	11,860,697
	592,998	906,944	-	10,570,130	15,326	12,085,398
Borrowings	1,388,111	1,853,150	5,846	129,148	-	3,376,255
Gap	(795,113)	(946,206)	(5,846)	10,440,982	15,326	8,709,143
Cumulative Gap	(795,113)	(1,741,319)	(1,747,165)	8,693,817	8,709,143	

### Interest Rate Shock

1%	(7,951)	(17,413)	(17,472)	86,938
2%	(15,902)	(34,826)	(34,943)	173,876
-1%	7,951	17,413	17,472	(86,938)
-2%	15,902	34,826	34,943	(173,876)



## NOTES TO THE FINANCIAL STATEMENTS



For the period ended 31 December 2014

As at Feb 28, 2014

	Interest bearing instruments				Non-interest bearing instruments	Total
	Up to 3 months	4 - 6 months	7 - 12 months	Over 12 months		
<i>In thousands of naira</i>						
Cash and cash equivalents	-	-	-	-	713,727	713,727
Loans to related entities	-	-	3,068,237	1,311,831	-	4,380,068
	-	-	3,068,237	1,311,831	713,727	5,093,795
Borrowings	14,633	429,263	373,932	266,348	-	1,084,176
Gap	(14,633)	(429,263)	2,694,305	1,045,483	713,727	4,009,619
Cumulative Gap	(14,633)	(443,896)	2,250,409	3,295,892	4,009,619	
<b>Interest Rate Shock</b>						
1%	(146)	(4,439)	22,504	32,959		
2%	(293)	(8,878)	45,008	65,918		
-1%	146	4,439	(22,504)	(32,959)		
-2%	293	8,878	(45,008)	(65,918)		

### 6.1.2 Foreign Exchange Risk

Foreign exchange risk is the risk of loss due to adverse movements in the exchange rates of the firm's foreign currency assets or liabilities. Foreign exchange risk arises from future commercial transactions or obligations and recognized assets and liabilities which are denominated in a currency other than the group's functional currency, Naira.

The Group's exposure to foreign exchange risk arises from its debt obligations denominated in USD (Note 30b(v & viii)). Foreign exchange risk exposure also arises from foreign currency obligations due to project contractors, consultants and other vendors. However, as these are not significant, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates is not deemed necessary.

#### - Foreign Currency Concentration Risk

The table below shows the Group and Company's structural foreign currency exposures for the period/year.

#### Group

As at Dec 31, 2014

<i>In thousands of naira</i>	Naira	USD	GBP	Total
Cash and cash equivalents	2,084,543	16,784	6,202	2,107,529
Loans to related entities	4,812,002	-	-	4,812,002
Debtors and receivables	8,414,717	-	-	8,414,717
	15,311,262	16,784	6,202	15,334,248
Deposit for shares	31,856,738	-	-	31,856,738
Borrowings	16,364,793	1,087,683	-	17,452,476
Other liabilities	17,823,469	-	-	17,823,469
	66,045,000	1,087,683	-	67,132,683



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

As at Feb 28, 2014

<i>In thousands of naira</i>	Naira	USD	GBP	Total
Cash and cash equivalents	998,956	622	-	999,578
Loans to related entities	3,780,671	-	-	3,780,671
Debtors and receivables	10,695,429	-	-	10,695,429
	<u>15,475,056</u>	<u>622</u>	<u>-</u>	<u>15,475,678</u>
Deposit for shares	16,948,980	-	-	16,948,980
Borrowings	396,184	844,978	-	1,241,162
Other liabilities	19,790,136	-	-	19,790,136
	<u>37,135,300</u>	<u>844,978</u>	<u>-</u>	<u>37,980,278</u>

### Company

As at Dec 31, 2014

<i>In thousands of naira</i>	Naira	USD	GBP	Total
Cash and cash equivalents	213,387	11,314	-	224,701
Loans to related entities	11,860,697	-	-	11,860,697
Debtors and receivables	4,782,373	-	-	4,782,373
	<u>16,856,457</u>	<u>11,314</u>	<u>-</u>	<u>16,867,771</u>
Deposit for shares	31,606,738	-	-	31,606,738
Borrowings	3,376,255	-	-	3,376,255
Other liabilities	12,621,304	-	-	12,621,304
	<u>47,604,297</u>	<u>-</u>	<u>-</u>	<u>47,604,297</u>

As at Feb 28, 2014

<i>In thousands of naira</i>	Naira	USD	GBP	Total
Cash and cash equivalents	713,105	622	-	713,727
Loans to related entities	4,380,068	-	-	4,380,068
Debtors and receivables	4,031,689	-	-	4,031,689
	<u>9,124,862</u>	<u>622</u>	<u>-</u>	<u>9,125,484</u>
Deposit for shares	16,948,980	-	-	16,948,980
Borrowings	1,084,176	-	-	1,084,176
Other liabilities	17,577,572	-	-	17,577,572
	<u>35,610,728</u>	<u>-</u>	<u>-</u>	<u>35,610,728</u>



## 6.2 Credit Risk

Credit Risk is the risk of loss arising from a counterparty's inability or unwillingness to fulfill contractual obligations to the Group. The group is exposed to credit risk through the following transactions; Credit risk arises from cash and cash equivalents, deposits and placement with banks and other financial institutions as well as loans to related entities.

- *Investments in financial instruments such as term deposits and other bank balances:* The risk of this exposure is tied to the financial health of these institutions, mainly comprised of top tier commercial Banks and ARM Company Limited (ARM) with credit ratings of investment grade.

*Receivables from clients and related parties:* These exposures represent receivables due from clients and intercompany receivables. The allowance for impairments on these receivables represent trades settled on behalf of clients without receiving due payment.

- *Other receivables :* These represent account receivables.

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury Unit in accordance with the Group's Counterparty policy. The Group's Credit Risk Management function has responsibility for assessing, monitoring and managing credit risk within the Company. The Group Credit Risk Committee has responsibility for establishing, reviewing and approving credit policies, setting credit rating limits and prescribing counterparty exposure limits which are designed to minimize counterparty concentration risk.

The maximum exposure to credit risk the Group has is as follows:

<i>In thousands of naira</i>	Cash and cash equivalents		Loans to related entities		Other receivables (excluding Prepayment)	
	Dec 2014	Feb 2014	Dec 2014	Feb 2014	Dec 2014	Feb 2014
Carrying amount	2,107,529	999,578	4,812,002	3,780,671	8,414,717	10,695,429
<i>Assets at amortised cost</i>						
Neither past due nor impaired	2,107,529	999,578	4,812,002	3,780,671	8,414,717	10,695,429
Impaired	-	-	760	-	285,769	64,305
Gross amount	2,107,529	999,578	4,812,762	3,780,671	8,700,486	10,759,734
Allowance for impairment (individual)	-	-	(760)	-	(285,769)	(64,305)
Carrying amount	2,107,529	174,143	4,812,002	3,780,671	8,414,717	10,695,429



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For the period ended 31 December 2014

The maximum exposure to credit risk the Company has is as follows:

<i>In thousands of naira</i>	Cash and cash equivalents		Loans to related entities		Other receivables (excluding Prepayment)	
	Dec 2014	Feb 2014	Dec 2014	Feb 2014	Dec 2014	Feb 2014
Carrying amount	<u>224,701</u>	<u>713,727</u>	<u>11,860,697</u>	<u>4,380,068</u>	<u>4,782,373</u>	<u>4,031,689</u>
<i>Assets at amortised cost</i>						
Neither past due nor impaired	224,701	713,727	11,860,697	4,380,068	4,782,373	4,031,689
Impaired	-	-	75,217	27,028	86,337	76,317
Gross amount	<u>224,701</u>	<u>713,727</u>	<u>11,935,914</u>	<u>4,407,096</u>	<u>4,868,710</u>	<u>4,108,006</u>
Allowance for impairment (individual)	-	-	(75,217)	(27,028)	(86,337)	(76,317)
Carrying amount	<u>224,701</u>	<u>713,727</u>	<u>11,860,697</u>	<u>4,380,068</u>	<u>4,782,373</u>	<u>4,031,689</u>

### 6.3 Liquidity Risk Management

Liquidity risk is the risk that the firm will be unable to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either its daily operations or its financial condition. The Company's liquidity risk is managed within the ARM Group's liquidity risk management framework. The Group has in place, comprehensive liquidity management policy and processes, executed by the Treasury and the Asset & Liability Management (ALM) functions.

Prudent liquidity risk management includes maintaining sufficient short-term liquid assets and securing long-term borrowings to ensure the availability of an adequate amount of funding to meet the Group's obligations. In the management of its liquidity risk position, the Group monitors cash flow trends and forecasts future cash flows using a comprehensive daily cash flow model that takes into consideration the liquidity needs from all possible sources within the Group including collateral requirements and customer commitments.

The tables below analyses the Group's and Company's financial liabilities and assets into relevant maturity groupings.

Group

31 December 2014

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow	Maturity Groupings			
			Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Deposit for shares	31,856,738	(31,856,738)	-	-	-	(31,856,738)
Borrowing	17,452,476	(21,638,429)	(7,209,936)	(2,118,047)	(806,593)	(11,503,853)
Other liabilities and accruals	17,823,469	(17,823,469)	(4,211,863)	(25,298)	(13,586,308)	-
Total Financial Liabilities	<u>67,123,683</u>	<u>(71,318,636)</u>	<u>(11,421,799)</u>	<u>(2,143,345)</u>	<u>(14,392,901)</u>	<u>(43,360,591)</u>

## NOTES TO THE FINANCIAL STATEMENTS



For the period ended 31 December 2014

### Assets held for managing liquidity risk

*In thousands of naira*

	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loan to related entities	4,812,002	5,003,883	533,329	949,121	-	3,521,433
Debtors	8,414,717	9,299,162	-	108,733	9,190,429	-
Cash and cash equivalent	2,107,529	2,107,529	2,107,529	-	-	-
<b>Total assets held for managing liquidity risk</b>	<b>15,334,248</b>	<b>16,410,574</b>	<b>2,640,858</b>	<b>1,057,854</b>	<b>9,190,429</b>	<b>3,521,433</b>
Net liquidity (Gap)/Surplus	(51,798,435)	(54,908,062)	(8,780,941)	(1,085,491)	(5,202,472)	(39,839,158)
<b>Cumulative Liquidity (Gap)/Surplus</b>			<b>(8,780,941)</b>	<b>(9,866,432)</b>	<b>(15,068,904)</b>	<b>(54,908,062)</b>

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*In thousands of naira*

	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Deposit for shares	16,948,980	(16,948,980)	-	-	-	(16,948,980)
Borrowing	1,241,162	(2,058,977)	(9,755)	(86,075)	(327,848)	(1,635,299)
Other liabilities and accruals	19,790,136	(19,790,136)	(2,911,315)	(5,664,605)	(11,214,216)	-
<b>Total Financial Liabilities</b>	<b>37,980,278</b>	<b>(38,798,093)</b>	<b>(2,921,070)</b>	<b>(5,750,680)</b>	<b>(11,542,064)</b>	<b>(18,584,279)</b>

### Assets held for managing liquidity risk

*In thousands of naira*

	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loan to related entities	3,780,671	4,186,131	-	-	3,242,938	943,193
Debtors	10,695,429	10,759,734	-	-	10,759,734	-
Cash and cash equivalent	999,578	999,578	999,578	-	-	-
<b>Total assets held for managing liquidity risk</b>	<b>15,475,678</b>	<b>15,945,443</b>	<b>999,578</b>	<b>-</b>	<b>14,002,672</b>	<b>943,193</b>
Net liquidity (Gap)/Surplus	(22,504,600)	(22,852,650)	(1,921,492)	(5,750,680)	2,460,608	(17,641,086)
<b>Cumulative Liquidity (Gap)/Surplus</b>			<b>(1,921,492)</b>	<b>(7,672,172)</b>	<b>(5,211,564)</b>	<b>(22,852,650)</b>



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For the period ended 31 December 2014

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### Financial Liabilities

*In thousands of naira*

	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Deposit for shares	31,606,738	(31,606,738)	-	-	-	(31,606,738)
Borrowings	3,376,255	(3,599,344)	(1,461,615)	(1,947,422)	(6,885)	(183,422)
Other liabilities and accruals	12,621,304	(12,621,304)	(554,789)	(16,962)	(12,049,553)	
<b>Total Financial Liabilities</b>	<b>47,604,297</b>	<b>(47,827,386)</b>	<b>(2,016,404)</b>	<b>(1,964,384)</b>	<b>(12,056,438)</b>	<b>(31,790,160)</b>

### Assets held for managing liquidity risk

*In thousands of naira*

	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loan to related entities	11,860,697	15,423,919	533,329	-	949,121	13,941,469
Debtors	4,782,373	4,868,710	-	67,599	4,801,111	-
Cash and cash equivalents	224,701	224,701	224,701	-	-	-
<b>Total assets held for managing liquidity risk</b>	<b>16,867,771</b>	<b>20,517,330</b>	<b>758,030</b>	<b>67,599</b>	<b>5,750,232</b>	<b>13,941,469</b>
<b>Net liquidity (Gap)/Surplus</b>	<b>(30,736,526)</b>	<b>(27,310,056)</b>	<b>(1,258,374)</b>	<b>(1,896,785)</b>	<b>(6,306,206)</b>	<b>(17,848,691)</b>
<b>Cumulative Liquidity (Gap)/Surplus</b>			<b>(1,258,374)</b>	<b>(3,155,159)</b>	<b>(9,461,365)</b>	<b>(27,310,056)</b>

28 February 2014

*In thousands of naira*

	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Deposit for shares	16,948,980	(16,948,980)	-	-	-	(16,948,980)
Borrowings	1,084,176	(1,206,026)	(14,765)	(463,150)	(295,605)	(432,506)
Other liabilities and accruals	17,577,572	(17,577,572)	(1,058,453)	(191,225)	(16,327,894)	-
<b>Total Financial Liabilities</b>	<b>35,610,728</b>	<b>(35,732,578)</b>	<b>(1,073,218)</b>	<b>(654,375)</b>	<b>(16,623,499)</b>	<b>(17,381,486)</b>



Assets held for managing liquidity risk

In thousands of naira	Carrying Amount	Gross Nominal (outflow) /inflow	Maturity			
			Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loans and receivables	4,380,068	4,987,395	-	-	3,340,743	1,646,652
Debtors	4,031,689	4,108,006	-	-	4,108,006	-
Cash and cash equivalents	713,727	713,727	713,727	-	-	-
<b>Total assets held for managing liquidity risk</b>	<b>9,125,484</b>	<b>9,809,128</b>	<b>713,727</b>	<b>-</b>	<b>7,448,749</b>	<b>1,646,652</b>
<b>Net liquidity (Gap)/Surplus</b>	<b>(26,485,244)</b>	<b>(25,923,450)</b>	<b>(359,491)</b>	<b>(654,375)</b>	<b>(9,174,750)</b>	<b>(15,734,834)</b>
<b>Cumulative Liquidity (Gap)/Surplus</b>			<b>(359,491)</b>	<b>(1,013,866)</b>	<b>(10,188,616)</b>	<b>(25,923,450)</b>

6.4 Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, systems and external events. Operational risk could result from erroneous transactions, fraudulent acts, performance failure of vendors, or business disruption, which could result in financial losses and/or reputational damage to the Group. Potential type of loss events by Basel 2 category relating to both internal and external types of operational risk include:

- Execution, delivery and process management
- Business disruption and system failures
- Disaster and other events
- Clients, products and business practices
- Employment practices and workplace safety
- External fraud
- Internal fraud

ARM Properties manages operational risk using a well-established control framework, and tools such as Risk and Control Self Assessment (RCSA), Internal Loss Data Collection (LDC), Issues Management and Whistleblowing. The Company uses a bespoke system, Operation Risk Manager, as well as other excel based templates for collecting, managing, monitoring and reporting operational risk.

RCSA is a forward looking evaluation of both potential and current risks faced within the Group on a daily basis. It also involves assessing the controls implemented to prevent, detect or mitigate the occurrence of the risks; as well as recommending actions for improving deficiencies, or designing new controls within the process. It is conducted in a workshop attended by business experts within the firm.

The Internal Loss Data Collection is the process with which the Group collects data on operational risk losses immediately after they occur. This data collection is facilitated with the use of an Operational Risk System that has been tailored to the firm's operations, The OpRisk Manager. Risk events can be identified by any member of staff. The event is thereafter assigned to a member of staff with sufficient knowledge and authority to perform a causal analysis; and to recommend remedial actions.

In the year ended 31 December 2014, the only event reported was within the Disaster and other events as against two events reported in 2013 within the categories of External Fraud and Execution, Delivery and Process management. These risks were appropriately managed within the operational risk framework of the Group.



The Whistleblowing system enables anonymous as well as confidential reporting of observed misconduct within the Group. Stakeholders such as Regulators, Shareholders, Clients and Staff can make use of the Whistleblowing portal on the corporate website or call the Whistleblowing hotline for seamless reporting of misconducts. All information obtained via the Whistleblowing channels are thoroughly investigated, and disciplinary actions are applied when necessary. In addition to the benefit of early identification of misconducts, the Whistleblowing system serves as a preventive control for fraud, bribery and other forms of misconduct within the firm.

Reports generated from data collected from these operational risk management processes provide business managers, Executive Management and the Board with information to help maintain operational risk at appropriate levels within each business line.

**6.5 Strategic and Reputational Risk**

Strategic Risk is the risk of loss to earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Some strategic risk factors that the Group is exposed include: activities of competitors, political terrain; the economy; laws and regulations; changes in customer preferences and strategic business decisions.

Reputational Risk is the risk of loss to earnings or capital arising from damage to the Group's reputation. This damage could be as a result of poor communication & crisis mismanagement; poor service delivery; regulatory non-compliance; poor financial performance; corporate governance & leadership; inadequate Corporate Social Responsibility; workplace culture etc.

The Group's Strategic & Reputational Risk is managed within the Corporate Strategy Unit and the Marketing & Corporate Communication Unit respectively.

**6.6 Project Risk**

The risk of a negative impact on project quality, cost and/or completion timelines arising from failed or inadequate pre-defined scope, unexpected changes in project schedule or inadequate project resources.

The Group manages this risk by having a sound project management team which undergoes a rigorous planning and strategy process for any project that is to be embarked upon.

**6.7 Capital Management**

The capital of the group is managed with a view of maintaining a controlled relationship between equity and debt in order to maintain an optimal capital structure which reduces the cost of capital.

The Gearing Ratio for the Group and the Company as at February 28, 2014 is shown below:

<i>In thousands of naira</i>	Group		Company	
	Dec-14	Feb-14	Dec-14	Feb-14
Borrowings*	17,452,476	1,241,162	3,376,255	1,084,176
Total Equity	27,778,737	30,004,276	5,567,707	7,831,280
Gearing Ratio	62.83%	4.14%	60.64%	13.84%

\*This represents both current and non current borrowings.

**7 Financial assets and liabilities**

The table below sets out the classification of each class of financial assets and liabilities. It does not include information on fair values as the carrying amounts are reasonable approximation of the fair values.



## NOTES TO THE FINANCIAL STATEMENTS



For the period ended 31 December 2014

### Group

31 December 2014	Note	Loans and receivables	Other financial liabilities	Total carrying amount
Cash and cash equivalents	27	2,107,529	-	2,107,529
Loans to related entities	24	4,812,002	-	4,812,002
Debtors and receivables	26	8,414,717	-	8,414,717
		<u>15,334,248</u>	<u>-</u>	<u>15,334,248</u>
Deposit for shares	29	-	31,856,738	31,856,738
Borrowings	30	-	17,452,476	17,452,476
Other liabilities	32	-	17,823,469	17,823,469
		<u>-</u>	<u>67,132,683</u>	<u>67,132,683</u>
<b>28 February 2014</b>				
<i>In thousands of naira</i>	Note	Loans and receivables	Other financial liabilities	Total carrying amount
Cash and cash equivalents	27	999,578	-	999,578
Loans to related entities	24	3,780,671	-	3,780,671
Debtors and receivables	26	10,695,429	-	10,695,429
		<u>15,475,678</u>	<u>-</u>	<u>15,475,678</u>
Deposit for shares	29	-	16,948,980	16,948,980
Borrowings	30	-	1,241,162	1,241,162
Other liabilities	32	-	19,790,136	19,790,136
		<u>-</u>	<u>37,980,278</u>	<u>37,980,278</u>

### Company

31 December 2014	Note	Loans and receivables	Other financial liabilities	Total carrying amount
<i>In thousands of naira</i>				
Cash and cash equivalents	27	224,701	-	224,701
Loans to related entities	24	11,860,697	-	11,860,697
Debtors and receivables	26	4,782,373	-	4,782,373
		<u>16,867,771</u>	<u>-</u>	<u>16,940,280</u>
Deposit for shares	29	-	31,606,738	31,606,738
Borrowings	30	-	3,376,255	3,376,255
Other liabilities	32	-	12,621,304	12,621,304
		<u>-</u>	<u>47,604,297</u>	<u>47,604,297</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

28 February 2014

<i>In thousands of naira</i>	Note	Loans and receivables	Other financial liabilities	Total carrying amount
Cash and cash equivalents	27	713,727	-	713,727
Loans to related entities	24	4,380,068	-	4,380,068
Debtors and receivables	26	4,031,689	-	4,031,689
		<u>9,125,484</u>	<u>-</u>	<u>9,125,484</u>
Deposit for shares	29	-	16,948,980	16,948,980
Borrowings	30	-	1,084,176	1,084,176
Other liabilities	32	-	17,577,572	17,577,572
		<u>-</u>	<u>35,610,728</u>	<u>35,610,728</u>

### 8 Critical accounting estimates and judgement.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

##### (i) Determination of significant influence over investees

Management applies its judgement to determine whether the control indicators set out in Note 5(a) indicate that the Group controls an entity. According to IAS 28, a 20% or more interest in an investee leads to a rebuttable presumption that the investor has significant influence over the investee.

The Group holds an indirect interest of 29.3% in Lakowe Lakes Golf Club Limited ("Lakowe"). (i.e. ARM Properties Plc has an 88% stake in Toll Systems Development Company which in turn holds a 33.3% stake in Lakowe). However, having considered the fact and circumstances, including the non-representation of ARM Properties on the board of Lakowe, management has concluded that the Group does not have significant influence over Lakowe and the entity is not an associate of ARM Properties Plc.

##### (ii) Classification of property

The Group determines whether a property is classified as investment property or trading property (inventory).

Investment property comprises land that is not for sale in the ordinary course of business, but are held primarily to earn capital appreciation.

Trading properties comprises properties that are held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

Management has classified the land bank held by Toll Systems Development Company Limited as investment property as it is primarily being held for capital appreciation and for investment in new subsidiaries through exchange for equity interest and/or debt finance.



*(iii) Business combination*

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset.

When the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

A business combination is a "common control combination" if the combining entities are ultimately controlled by the same party both before and after the combination; and common control is not transitory. A business combination involving entities or businesses under common control are outside the scope of IFRS 3: Business Combinations, and there is no specific IFRS guidance.

Accordingly, management has applied its judgement to develop an accounting policy that is relevant and reliable, where there is no specifically applicable standard or interpretation in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. In making this judgement, the directors consider the requirements of IFRS dealing with similar and related issues and the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the framework. The directors also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or interpretation.

The Group has determined that it controls and consolidates Summerville Golf Club Limited ("Summerville") in which it owns a majority of the shares (67.8%) following the acquisition made during the year from its parent company, Asset and Resource Management Company Limited ("ARM"). The acquisition represents a common control transaction based on the fact that ARM still remains the ultimate parent company of Summerville.

The Group has applied the principles as set out in IFRS 3 Business Combinations on common control transactions in accounting for the acquisition of Summerville. The assets and liabilities of the business transferred are measured at their existing book value in the consolidated financial statements of the parent, as measured under IFRS. The difference between the consideration payable and the share capital of the subsidiary acquired has been recognized in capital reserves in equity.

*(iv) Considerations on joint arrangement*

The Group acquired a 51% equity interest in Garden City Golf Estate Development Limited ("Garden City") from ARM Company. Garden City is a structured separate vehicle established as a Limited Liability Company to carry on business generally as developers of golf courses and ancillary amenities.

The Group has (after considering the structure and form of the arrangement, the terms agreed by the parties in the executed memorandum of understanding, and the Group's rights and obligations arising from the subsequent acquisition from ARM Company from the arrangement) classified its interests as joint ventures and accounted for the acquisition in line with the policies disclosed in note 5(a)(viii).

*(b) Critical accounting estimates and assumptions*

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements



that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) *Fair value of financial instruments*

The Company's policy on fair value measurements is discussed under note 5(g)(iv).

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price(unadjusted) in an active market for an identical instrument.

Level 2 : Valuation techniques based on observable inputs, either directly - i.e. , as prices - or indirectly - i.e. derived from prices. This category includes instruments valued using : quoted market prices in active markets for similar instruments ; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data. Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The Group did not have any financial instruments measured and carried at fair value as at the end of the reporting period.

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

Financial instruments not carried at fair value

Group

31 December 2014

<i>In thousands of naira</i>	Note	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	27	-	2,107,529	-	2,107,529
Loans to related entities	24	-	4,812,002	-	4,812,002
Debtors and receivables	26	-	8,414,717	-	8,414,717
		-	<u>15,334,248</u>	-	<u>15,334,248</u>
Deposit for shares	29	-	31,856,738	-	31,856,738
Borrowings	30	-	17,452,476	-	17,452,476
Other liabilities	32	-	17,823,469	-	17,823,469
		-	<u>67,132,683</u>	-	<u>67,132,683</u>

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*For the period ended 31 December 2014*

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<i>In thousands of naira</i>	Note	Level 1	Level 1	Level 3	Total
Cash and cash equivalents	27	-	999,578	-	999,578
Loans to related entities	24	-	3,780,671	-	3,780,671
Debtors and receivables	26	-	10,695,429	-	10,695,429
		-	<u>15,475,678</u>	-	<u>15,475,678</u>
Deposit for shares	29	-	16,948,980	-	16,948,980
Borrowings	30	-	1,241,162	-	1,241,162
Other liabilities	32	-	19,790,136	-	19,790,136
		-	<u>37,980,278</u>	-	<u>37,980,278</u>

Company

31 December 2014

<i>In thousands of naira</i>	Note	Level 1	Level 1	Level 3	Total
Cash and cash equivalents	27	-	224,701	-	224,701
Loans to related entities	24	-	11,860,697	-	11,860,697
Debtors and receivables	26	-	4,782,373	-	4,782,373
		-	<u>16,867,771</u>	-	<u>16,867,771</u>
Deposit for shares	29	-	31,606,738	-	31,606,738
Borrowings	30	-	3,376,255	-	3,376,255
Other liabilities	32	-	12,621,304	-	12,621,304
		-	<u>47,604,297</u>	-	<u>47,604,297</u>

28 February 2014

<i>In thousands of naira</i>	Note	Level 1	Level 1	Level 3	Total
Cash and cash equivalents	27	-	713,727	-	713,727
Loans to related entities	24	-	4,380,068	-	4,380,068
Debtors and receivables	26	-	4,031,689	-	4,031,689
		-	<u>9,125,484</u>	-	<u>9,125,484</u>
Deposit for shares	29	-	16,948,980	-	16,948,980
Borrowings	30	-	1,084,176	-	1,084,176
Other liabilities	32	-	17,577,572	-	17,577,572
		-	<u>35,610,728</u>	-	<u>35,610,728</u>

*(ii) Investment property*

Investment property is measured at fair value in line with the Group's accounting policy disclosed in note 5(l).

The Group's investment properties is valued at each reporting date by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Management reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are also held with the independent valuers to:

- verify all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report.

Further details of the judgements and assumptions made in the valuation of investment property are disclosed in note 21(d).



(iii) *Estimation of net-realisable value for trading properties*

Trading properties are stated at the lower of cost and net realisable value (NRV).

NRV for completed trading property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of trading property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction, estimated costs to complete construction and an estimate of the time value of money to the date of completion.

(iv) *Impairment losses on loans*

Loans to related parties accounted for at amortized cost are evaluated for impairment on a basis described in note 5(g)(v)

The Group reviews its outstanding loan balances to assess impairment on an annual basis. In determining whether a specific impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is any observable data indicating an impairment trigger. The trigger may include observable data indicating that the borrower is unable to fulfil the repayment obligations as per contractual terms e.g. significant financial difficulty being experienced by the borrower, occurrence of default/delays in interest or principal repayments, restructuring of the credit facilities by giving extraordinary concessions to borrower etc..

The specific component of the total allowances for impairment applies to facilities evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired facility is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the risk management function.

## 9 Business Combination

### Acquisition of Summerville Golf Club Limited

On 31st December 2014, ARM Properties agreed the consideration and obtained control of Summerville Golf Club Limited ("Summerville") by acquiring the holdings of Asset and Resource Management Company ("ARM") in Summerville. The holdings acquired from ARM based on the executed agreement dated 31st December 2014 between both companies comprises a shareholder loan of N3,653,560,000, deposit for equity shares in Summerville N248,750,000 and 1,250,000 ordinary shares @ N1 per share. The holdings acquired brings the total interest of the Company in Summerville to 67.9% (i.e. direct holding of 67.3% and indirect holding through Toll Systems Development Company Limited of 0.6%).

In determining the acquisition date, the date in which the transaction was agreed to by both parties i.e. 31 December 2014 was adopted and the financial statements of Summerville as at 31 December 2014 was used in determining the share capital at acquisition date as permitted by IFRS 3. The consolidated financial statements includes the financial position of Summerville at the acquisition date.

The business combination has been accounted for, from the perspective of the ultimate controlling entity (ARM). The book value of the assets and liabilities was considered instead of the fair value on the basis that the acquisition is a common control transaction and the investments simply moved from one part of the group to another. In applying book value accounting, an adjustment has been made in equity (capital reserve) to reflect the difference between the consideration payable and the capital of the acquiree (Summerville).

The acquisition of Summerville is expected to enable the Company expand its real estate business and also enable ARM focus on its traditional non-pension asset management operations.

(a) *Consideration*

The consideration agreed for the acquisition of Summerville was N6,059,000,000 which is expected to be paid within 365 days. This has been accounted for as a payable to ARM.

(b) *Acquisition costs*

There were no costs incurred relating to the acquisition.



(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognized amounts of assets acquired and liabilities (at book values) assumed at the acquisition date.

*In thousands of naira*

31 December 2014

Assets:

Cash and cash equivalents	1,514,253
Debtors and prepayments	24,342
Trading properties	21,142,278
Loans to related entities	288,309
Property and equipment	12,791,751
<b>Total assets</b>	<b>35,760,933</b>

Liabilities:

Other liabilities and accruals	12,666,599
Borrowings	13,829,425
Borrowings from related parties	7,452,607
Deposit for shares	250,000
Deposit for shares from related parties	2,298,853
<b>Total liabilities</b>	<b>36,497,484</b>

Book value of identifiable net liabilities

(736,551)

Share capital

3,750

Retained earnings

(740,301)

Total equity

(736,551)

(d) Determination of common control acquisition deficit

*In thousands of naira*

	Group 31 Dec 2014	Company 31 Dec 2014
Consideration payable	6,059,560	6,059,560
Shareholders loan acquired	(3,653,560)	(3,653,560)
Deposit for shares acquired	(248,750)	(248,750)
Cost of equity shares acquired	(1,250)	(1,250)
Pre-acquisition deficit	502,516	-
<b>Capital reserve</b>	<b>2,658,516</b>	<b>2,156,000</b>

(e) Non-controlling interest

NCI was recognized on a proportionate basis of identifiable net assets on acquisition as follows:

*In thousands of naira*

Net liability on acquisition	(736,551)
Share of NCI (32.12%)	(236,535)

(f) Acquisition of subsidiary, net of cash acquired

*In thousands of naira*

Cash consideration paid	-
Cash and cash equivalent acquired (see note (c))	1,514,253
<b>Cash inflow on acquisition</b>	<b>1,514,253</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

### 10 Sales of trading properties

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
<i>In thousands of naira</i>				
Sales of trading properties	6,503,052	128,009	257,994	-
	<u>6,503,052</u>	<u>128,009</u>	<u>257,994</u>	<u>-</u>

### 11 Cost of sales- trading properties

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
<i>In thousands of naira</i>				
Cost of sales- trading properties (See note 25 (b))	5,734,606	220,612	232,981	-
	<u>5,734,606</u>	<u>220,612</u>	<u>232,981</u>	<u>-</u>

### 12 Fair value gain on investment property

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
<i>In thousands of naira</i>				
Fair value gain on valuation of investment property (See note 21(b))	941,610	1,661,769	-	-
	<u>941,610</u>	<u>1,661,769</u>	<u>-</u>	<u>-</u>

### 13 Interest income

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
<i>In thousands of naira</i>				
Loans to related entities	547,569	753,281	644,485	685,634
Cash and cash equivalents	35,843	-	12,872	-
Total income	<u>583,412</u>	<u>753,281</u>	<u>657,357</u>	<u>685,634</u>

The following are the sources of the interest income from related entities:

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
<i>In thousands of naira</i>				
Farapark Properties Limited*	17,031	17,253	17,031	17,253
Summerville Golf Club Limited	384,247	584,093	384,247	412,250
Oceanwinds Hospitality*	145,104	151,935	145,104	151,935
Oakland Properties Limited	-	-	97,143	104,196
Beachwood*	227	-	-	-
Lakowe*	960	-	960	-
	<u>547,569</u>	<u>753,281</u>	<u>644,485</u>	<u>685,634</u>

\* represents entities that are not controlled by the Group



## NOTES TO THE FINANCIAL STATEMENTS



*For the period ended 31 December 2014*

### 14 Other income

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
In thousands of naira				
Management fee income	64,388	38,779	64,388	38,779
Other income	25,734	112,502	67	5,205
Exchange gain	-	2	-	2
<b>Total income</b>	<u>90,122</u>	<u>151,283</u>	<u>64,455</u>	<u>43,986</u>

### 15 Net impairment loss/(credit) on financial assets

Allowance for losses comprise:

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
In thousands of naira				
Specific impairment on loans (Note 24(c))	760	-	48,189	27,028
Specific impairment charge for doubtful receivables (Note 26(d))	12,540	(95,415)	10,020	(95,415)
	<u>13,300</u>	<u>(95,415)</u>	<u>58,209</u>	<u>(68,387)</u>

### 16 Operating expenses:

(a) Operating expenses comprise:

	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
In thousands of naira				
Management fee expenses (see (b) below)	116,667	169,815	60,658	78,620
Audit fees	20,336	19,713	12,000	11,560
Travel and accommodation costs	5,179	1,851	5,179	1,851
Advertising costs	17,929	3,783	17,929	3,783
Professional fees	2,625	16,871	2,625	16,871
Administrative expenses	79,293	69,198	15,658	16,046
Exchange loss	118,195	-	3,386	-
<b>Total operating expenses</b>	<u>360,224</u>	<u>281,231</u>	<u>117,435</u>	<u>128,731</u>

(b) Management fee expenses represent expenses incurred for finance and administrative services provided by Asset & Resource Management Company Limited (ARM). The Company's share was based on the management service agreement dated 26 March 2008 and amended on 23 September 2010.

### 17 Supplementary profit and loss information

(a) Employee costs

The Group did not have any staff in its employment during the year ended 31 December 2014 (28 February 2014: Nil)

The Managing Director is an employee of Asset and Resource Management Company Limited (ARM) and his personnel expense is covered by the management service agreement between the Company and ARM.



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

(b) General:

i. The Group and Company's profit before taxation is stated after charging the following:

In thousands of naira	Group	Group	Company	Company
	10 months 31 Dec 2014	12 months 28 Feb 2014	10 months 31 Dec 2014	12 months 28 Feb 2014
Directors' fees	5,650	8,900	5,650	8,900
Directors' other allowances	2,100	1,070	2,100	1,070
	<u>7,750</u>	<u>9,970</u>	<u>7,750</u>	<u>9,970</u>

ii. Directors' remuneration shown above (excluding pension contributions and certain benefits) includes:

In thousands of naira	Group	Group	Company	Company
	10 months 31 Dec 2014	12 months 28 Feb 2014	10 months 31 Dec 2014	12 months 28 Feb 2014
Chairman	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Highest paid director	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

iii. The emoluments of all other directors were within the following ranges as follows:

In thousands of naira	Group	Group	Company	Company
	10 months 31 Dec 2014	12 months 28 Feb 2014	10 months 31 Dec 2014	12 months 28 Feb 2014
N100,000 - N600,000	-	-	-	-
N600,001 - N1,100,000	-	-	-	-
N1,100,001 - N1,500,000	-	-	-	-
N1,500,001 - N2,000,000	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

18 Finance costs

Finance costs comprise:

In thousands of naira	Group	Group	Company	Company
	10 months 31 Dec 2014	12 months 28 Feb 2014	10 months 31 Dec 2014	12 months 28 Feb 2014
Borrowings	552,231	185,816	240,214	186,873
Bank charges	3,471	1,169	2,946	1,169
Total interest expense	<u>555,702</u>	<u>186,985</u>	<u>243,160</u>	<u>188,042</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014



The following are the sources of interest on borrowings:

<i>In thousands of naira</i>	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
	ARM Trustees *	793	856	793
Townsville Properties Limited *	36,076	31,802	16,226	15,992
Beachwood Property Development Company Limited*	37,854	1,203	-	282
Oluwole Urban Mall Limited	-	-	936	1,009
Oakland Properties Limited	-	-	398	400
Adiva Properties Limited	-	-	109,512	121,262
Asset & Resource Management Company Limited *	133,857	47,477	112,349	47,072
Others*	343,651	104,478	-	-
	<u>552,231</u>	<u>185,816</u>	<u>240,214</u>	<u>186,873</u>

\* represents entities that are not controlled by the Group

### 19 Earnings per share

#### (a) Earnings per share (EPS)

Basic and diluted earnings per share has been computed based on profit after taxation and the number of ordinary shares of 1,683,558,000 (28 February 2014: 1,683,558,000) in issue during the year.

<i>In thousands of naira</i>	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Company 10 months 31 Dec 2014	Company 12 months 28 Feb 2014
	Profit attributable to group shareholders	<u>891,557</u>	<u>1,274,308</u>	<u>178,632</u>
Number of ordinary shares in issue at year end	<u>1,683,558</u>	<u>1,683,558</u>	<u>1,683,558</u>	<u>1,683,558</u>
Earnings per share - EPS in kobo	<u>53k</u>	<u>76k</u>	<u>11k</u>	<u>19k</u>

The Group does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS are the same for the Group.

### 20 Property and equipment

#### Group - 31 December 2014

<i>In thousands of Naira</i>	Land	Building	Golf Course Improvements	Work In Progress	Plant and Machinery	Motor Vehicle	Furniture & Fittings	Computer and Office Equipment	Total
<b>Cost</b>									
Balance at 1 March 2014	-	-	-	-	-	3,852	-	-	3,852
Acquired through business combination	7,319,793	277,891	5,087,265	40,571	20,614	17,673	27,612	332	12,791,751
Additions	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	<u>7,319,793</u>	<u>277,891</u>	<u>5,087,265</u>	<u>40,571</u>	<u>20,614</u>	<u>21,525</u>	<u>27,612</u>	<u>332</u>	<u>12,795,603</u>
<b>Accumulated depreciation</b>									
Balance at 1 March 2014	-	-	-	-	-	3,852	-	-	3,852
Charge for the year	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,852</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31 December 2014	<u>7,319,793</u>	<u>277,891</u>	<u>5,087,265</u>	<u>40,571</u>	<u>20,614</u>	<u>17,673</u>	<u>27,612</u>	<u>332</u>	<u>12,795,603</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

### Group - February 2014

<i>In thousands of Naira</i>	Land	Building	Golf Course Improvements	Work In Progress	Plant and Machinery	Computer			Total
						Motor Vehicle	Furniture & Fittings	and Office Equipment	
Cost									
Balance at 1 March 2013	-	-	-	-	-	3,852	-	-	3,852
Balance at 28 February 2014	-	-	-	-	-	3,852	-	-	3,852
Accumulated depreciation									
Balance at 1 March 2013	-	-	-	-	-	3,852	-	-	3,852
Charge for the year	-	-	-	-	-	-	-	-	-
Balance at 28 February 2014	-	-	-	-	-	3,852	-	-	3,852
Net book value at 28 February 2014	-	-	-	-	-	-	-	-	-

Included in work-in-progress is the golf course parcel of land measuring 308 hectares located at KM 35 Lekki Epe Expressway Lakowe, Ibeju-Lekki, Lagos being developed by Summerville Golf Club Limited ("Summerville"). This land bank, valued at N 5.7 Billion by Ubosi Eleh & Co (FRC/2014/NIESV/00000003997) as at 24 November 2014 has been pledged as collateral for the N3.5 Billion term loan obtained by Summerville from Access Bank Plc (See note 30).

There were no contractual commitments for the acquisition of property and equipment as at 31 December 2014 (February 2014: nil)

### 21 Investment property

#### (a) Investment property comprises

*In thousands of naira*

Land bank at Lakowe Village, Lekki (See note (c) below)

	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
Land bank at Lakowe Village, Lekki (See note (c) below)	54,613,380	53,671,770	-	-
	<u>54,613,380</u>	<u>53,671,770</u>	<u>-</u>	<u>-</u>

#### (b) The movement in investment property is as follows:

<i>In thousands of naira</i>	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
Balance, beginning of period/year	53,671,770	52,010,000	-	-
Fair value gain (See note 12)	941,610	1,661,770	-	-
Balance, end of period/year	<u>54,613,380</u>	<u>53,671,770</u>	<u>-</u>	<u>-</u>

(c) This represents 941.61 hectares of land bank held by Toll Systems Development Company Limited (TSD). The land bank is held for the purpose of investing in Special Purpose Vehicles in exchange for equity and quasi equity in those entities The land bank is located at Lakowe Village, Lekki, Lagos. The property is carried at fair value.

#### (d) Valuation techniques used for fair valuation of investment property

Investment property is stated at fair value and has been determined based on valuations performed by Messrs Ubosi Eleh & Co., Estate Surveyors and Valuers (FRC/2013/NIESV/0000000/1493) as at 17 December 2014. They are industry specialists in valuing these types of investment properties.



The fair value is supported by market evidence and represents the amount that would be received to sell the properties in an orderly transaction between market participants at the measurement date in the principal market to which the Group has access at the date of valuation, in accordance with standards issued by the International Valuation Standards Committee. Valuations are performed on an annual basis and the fair value gains and losses are reported in profit or loss. The profits or losses on disposal are also reported in profit or loss as they occurred.

The details of valuation techniques and significant observable inputs used in determining the fair value of investment properties are presented below:

Location of Properties	Valuation technique	Significant unobservable inputs
Land bank at Lakowe Village, Lekki	Property was valued using the direct comparison approach. The Comparison Approach involved an analysis of similar properties that have recently been transacted upon in the open market within the same locality and adjusting appropriately to take care of the peculiarities and the state of the subject property in arriving at its value.	<p>Situation: Access to the property is via the Lekki-Epe Expressway, which takes its route from Lekki first roundabout and terminates at Epe Lagos State.</p> <p>Property description: The property consists of a large expanse of undeveloped land, surrounded by distinct and adjoining schemes namely Lakowe Lakes, Golf and Country Estate to the West, Adiva Plain fields and Adiva East to the NorthEast and Townsville to the East.</p> <p>Site: The site, which is slightly irregular in shape, appears level and well drained. It has a total area of approximately 941.61 hectares.</p>

The fair values of the Group's investment property are categorized into Level 3 of the fair value hierarchy.

22 Investment in subsidiaries

(a) Investment in subsidiaries comprise:

In thousands of naira	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Adiva Properties Limited	-	-	10	10
Cross Town Mall Limited	-	-	10	10
Oluwole Urban Mall Property Limited	-	-	7	7
Oakland Properties Limited	-	-	10	10
Toll System Development Company Limited	-	-	31,606,739	31,606,739
Summerville Golf Club Limited	-	-	1,250	-
	-	-	<u>31,608,026</u>	<u>31,606,776</u>

(b) The subsidiary companies' country of incorporation, nature of business, percentage equity holding and period consolidated with ARM Properties is as detailed below:

Subsidiaries	Country of Incorporation	Nature of Business	Year end	Percentage	Holding
				31 Dec 2014	28 Feb 2014
Adiva Properties Limited	Nigeria	Real estate	31 December	99.9%	99.9%
Cross Town Malls Properties Limited	Nigeria	Real estate	31 December	99.9%	99.9%
Oluwole Urban Mall Property Limited	Nigeria	Real estate	31 December	70%	70%
Oakland Properties Limited	Nigeria	Real estate	31 December	99.9%	99.9%
Toll System Development Company Limited	Nigeria	Real estate	31 December	88%	88%
Summerville Golf Club Limited	Nigeria	Real estate	31 December	67.9%	-



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

(c) The condensed financial data of the consolidated entities as at 31 December, are as follows:

### Condensed profit or loss

31 December 2014	Group	Elimination	ARM Properties Plc	Adiva Properties Limited	Cross Town Mall Properties Limited	Oluwole Urban Mall Property Limited	Oakland Properties Limited	Toll Systems Development Company Limited	Summerville Golf Club Limited
<i>In thousands of Naira</i>									
	<u>10 months</u>								
Interest income	538,412	(451,266)	657,357	315,164	-	39,186	-	22,971	-
Gain/(Loss) on sale of trading properties	768,446	-	25,013	902,517	-	(44,651)	(114,433)	-	-
Fair value gain on investment property	941,610	-	-	-	-	-	-	941,610	-
Other income	90,122	114,809	64,455	(112,612)	-	23,467	3	-	-
Net impairment (loss) /credit on financial assets	(13,300)	47,429	(58,209)	-	-	(2,520)	-	-	-
Operating expenses	(360,224)	(122,851)	(117,435)	(7,054)	(1,939)	(18,431)	(32,127)	(60,387)	-
Finance costs	(555,702)	131,703	(243,160)	(389,369)	-	(19,151)	-	(35,725)	-
Profit/(loss) before income tax	<u>1,454,364</u>	<u>(280,176)</u>	<u>328,021</u>	<u>708,646</u>	<u>(1,939)</u>	<u>(22,100)</u>	<u>(146,557)</u>	<u>868,469</u>	<u>-</u>
Income tax expense	(477,138)	-	(149,389)	(231,029)	(500)	(2,059)	-	(94,161)	-
Profit/(loss) for the period	<u>977,226</u>	<u>(280,176)</u>	<u>178,632</u>	<u>477,617</u>	<u>(2,439)</u>	<u>(24,159)</u>	<u>(146,557)</u>	<u>774,308</u>	<u>-</u>

### Condensed financial position

31 December 2014	Group	Elimination	ARM Properties Plc	Adiva Properties Limited	Cross Town Mall Properties	Oluwole Urban Mall Property	Oakland Properties Limited	Toll Systems Development Company	Summerville Golf Club Limited
<i>In thousands of Naira</i>									
Property and equipment	12,791,751	-	-	-	-	-	-	-	12,791,751
Investment property	54,613,380	-	-	-	-	-	-	54,613,380	-
Investments in subsidiaries	-	(31,609,276)	31,608,026	-	-	-	-	1,250	-
Equity accounted investment	2,506,350	-	2,505,100	-	-	-	-	1,250	-
Loans to related entities	558,852	(4,779,589)	3,384,802	1,483,625	-	191,901	41,699	-	236,413
Total non-current assets	<u>70,470,333</u>	<u>(36,388,865)</u>	<u>37,497,928</u>	<u>1,483,625</u>	<u>-</u>	<u>191,901</u>	<u>41,699</u>	<u>54,615,880</u>	<u>13,028,164</u>
Loans to related entities	4,253,150	(4,652,297)	8,475,895	326,347	-	42,156	9,154	-	51,896
Trading properties	27,678,398	(149,269)	3,096,787	2,352,888	439,871	112,501	683,342	-	21,142,278
Debtors and prepayments	8,445,811	(4,709,900)	4,782,373	1,462,807	26,243	323,240	59,790	6,476,916	24,342
Cash and cash equivalents	2,107,529	-	224,701	75,874	492	91,521	2,991	197,697	1,514,253
Total current assets	<u>42,484,888</u>	<u>(9,511,466)</u>	<u>16,579,756</u>	<u>4,217,916</u>	<u>466,606</u>	<u>569,418</u>	<u>755,277</u>	<u>6,674,613</u>	<u>22,732,769</u>
Total assets	<u>112,955,221</u>	<u>(45,900,331)</u>	<u>54,077,684</u>	<u>5,701,541</u>	<u>466,606</u>	<u>761,319</u>	<u>796,976</u>	<u>61,290,493</u>	<u>35,760,933</u>
Borrowings	3,455,725	(2,840,387)	107,709	-	-	-	736,958	-	4,645,536
Deferred tax liabilities	5,403,120	-	-	-	-	-	-	5,403,120	-
Deposit for shares	31,856,738	(2,298,853)	31,606,738	-	-	-	-	-	2,548,853
Total non-current liabilities	<u>40,715,583</u>	<u>(4,333,331)</u>	<u>31,714,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,958</u>	<u>5,403,120</u>	<u>7,194,389</u>
Borrowings	13,996,751	(7,471,866)	3,268,546	836,825	259,933	101,895	138,465	226,457	16,636,496
Current income tax liability	2,202,136	-	595,775	348,741	500	106,954	-	1,150,166	-
Other liabilities	28,262,014	(2,089,953)	12,931,209	3,790,747	280,518	538,110	96,418	48,366	12,666,599
Total current liabilities	<u>44,460,901</u>	<u>(9,561,819)</u>	<u>16,795,530</u>	<u>4,976,313</u>	<u>540,951</u>	<u>746,959</u>	<u>234,883</u>	<u>1,424,989</u>	<u>29,303,095</u>
Total liabilities	<u>85,176,484</u>	<u>(13,895,150)</u>	<u>48,509,977</u>	<u>4,976,313</u>	<u>540,951</u>	<u>746,959</u>	<u>971,841</u>	<u>6,828,109</u>	<u>36,497,484</u>
Share capital	841,779	(5,790)	841,779	10	10	10	10	2,000	3,750
Share premium	5,819,185	(1,607,096)	5,819,185	-	-	-	-	1,607,096	-
Capital reserve	(2,658,516)	(502,516)	(2,156,000)	-	-	-	-	-	-
Revaluation reserve	-	(46,415,803)	-	-	-	-	-	46,415,803	-
Retained earnings	17,047,303	10,222,765	1,062,743	725,218	(74,355)	14,350	(174,875)	6,437,485	(740,301)
Non controlling interests	6,303,259	6,303,259	-	-	-	-	-	-	-
Total Equity	<u>27,778,737</u>	<u>(32,005,181)</u>	<u>5,567,707</u>	<u>725,228</u>	<u>(74,345)</u>	<u>14,360</u>	<u>(174,865)</u>	<u>54,462,384</u>	<u>(736,551)</u>
Total liabilities and equity	<u>112,955,221</u>	<u>(45,900,331)</u>	<u>54,077,684</u>	<u>5,701,541</u>	<u>466,606</u>	<u>761,319</u>	<u>796,976</u>	<u>61,290,493</u>	<u>35,760,933</u>

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## Condensed profit or loss

28 February 2014	Group	Elimination	ARM Properties Plc	Adiva Properties Limited	Cross Town Mall Properties Limited	Oluwole Urban Mall Property Limited	Oakland Properties Limited	Toll Systems Development Company Limited
<i>In thousands of Naira</i>								
	10 months							
Interest income	753,281	(285,500)	685,634	299,867	-	31,489	-	21,791
Gain/(Loss) on sale of trading properties	(92,603)	-	-	-	(55,886)	(36,717)	-	-
Fair value gain on investment property	1,661,769	-	-	-	-	-	-	1,661,769
Other income	151,283	-	43,986	3,268	-	104,029	-	-
Net impairment (loss)/credit on financial assets	95,415	27,028	68,387	-	-	-	-	-
Operating expenses	(281,231)	(544)	(128,731)	(19,201)	(28,160)	(93,081)	(3,735)	(7,779)
Finance costs	(186,985)	181,303	(188,042)	(125,623)	-	(22,841)	-	(31,782)
Profit/(loss) before income tax	2,100,929	(77,713)	481,234	158,311	(84,046)	(17,121)	(3,735)	1,643,999
Income tax expense	(371,438)	(166,177)	(154,601)	(50,660)	-	-	-	-
Profit/(loss) for the period	1,729,491	(243,890)	326,633	107,651	(84,046)	(17,121)	(3,735)	1,643,999

## Condensed financial position

28 February 2014	Group	Elimination	ARM Properties Plc	Adiva Properties Limited	Cross Town Mall Properties	Oluwole Urban Mall Property	Oakland Properties Limited	Toll Systems Development Company
<i>In thousands of Naira</i>								
Property and equipment	-	-	-	-	-	-	-	-
Investment property	53,671,770	-	-	-	-	-	-	53,671,770
Investments in subsidiaries	-	(31,606,776)	31,606,776	-	-	-	-	-
Loans to related entities	1,311,831	-	1,311,831	-	-	-	-	-
Total non-current assets	54,983,601	(31,606,776)	32,918,607	-	-	-	-	53,671,770
Loans to related entities	2,468,840	(625,064)	3,068,237	-	25,667	-	-	-
Trading properties	11,245,416	(118,726)	3,352,091	6,733,323	397,603	74,816	806,309	-
Debtors and prepayments	10,712,701	(2,771,027)	4,031,689	2,493,769	414	426,954	53,369	6,477,533
Cash and cash equivalents	999,578	687,992	713,727	(648,972)	1,032	68,087	2,987	174,725
Total current assets	25,426,535	(2,826,825)	11,165,744	8,578,120	424,716	569,857	862,665	6,652,258
Total assets	80,410,136	(34,433,601)	44,084,351	8,578,120	424,716	569,857	862,665	60,324,028
Deferred tax liabilities	5,308,959	166,177	-	-	-	-	-	5,142,782
Deposit for shares	16,948,980	-	16,948,980	-	-	-	-	-
Total non-current liabilities	22,257,939	166,177	16,948,980	-	-	-	-	5,142,782
Borrowings	1,241,162	(654,787)	1,084,176	156,986	-	-	654,787	-
Current income tax liability	1,833,255	-	460,482	117,712	-	104,895	-	1,150,166
Other liabilities	25,073,504	(2,135,354)	17,759,433	8,055,811	496,622	428,963	236,186	231,843
Total current liabilities	28,147,921	(2,790,141)	19,304,091	8,330,509	496,622	533,858	890,973	1,382,009
Total liabilities	50,405,860	(2,623,964)	36,253,071	8,330,509	496,622	533,858	890,973	6,524,791
Share capital	841,779	(2,040)	841,779	10	10	10	10	2,000
Share premium	5,819,185	(1,607,096)	5,819,185	-	-	-	-	1,607,096
Retained earnings	16,867,678	9,739,668	1,170,316	247,601	(71,916)	35,989	(28,318)	5,774,338
Revaluation reserve	-	(46,415,803)	-	-	-	-	-	46,415,803
Non controlling interest	6,475,634	6,475,634	-	-	-	-	-	-
Total Equity	30,004,276	(31,809,637)	7,831,280	247,611	(71,906)	35,999	(28,308)	53,799,237
Total liabilities and equity	80,410,136	(34,433,601)	44,084,351	8,578,120	424,716	569,857	862,665	60,324,028



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For the period ended 31 December 2014

### 23 Equity-accounted investee

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Interest in joint venture (see note a)	2,505,100	-	2,505,100	-
Interest in associate (see note b)	1,250	-	-	-
	<u>2,506,350</u>	<u>-</u>	<u>2,505,100</u>	<u>-</u>

- (a) Interest in joint venture relates to ARM Properties Plc's investment in Garden City Golf Estate Development Limited ("Garden City"). On 31st December 2014, the Company acquired the holdings of Asset and Resource Management Company ("ARM") in Garden City. The holdings acquired from ARM based on the executed agreement dated 31 December between both parties comprises a shareholder loan of N3,223,365,000, deposit for equity shares in Summerville N271,535,000 and 5,100,000 ordinary shares @ N1 per share. The consideration agreed for the acquisition is N6,000,000,000 which is payable within 365 days.

Garden City is a structured separate vehicle incorporated in Nigeria as a Limited Liability Company. The primary business activity of Garden City is to carry on business generally as developers of golf courses and ancillary amenities. ARM Properties has joint control and is entitled to 51% residual interest in the net assets of Garden City. Accordingly it has classified its interest in the entity as a joint venture and applied the equity method of accounting.

The following table summarizes the financial information of Garden City prepared in accordance with IFRS and modified for fair value adjustments on acquisition.

#### (i) Financial position (Condensed financial information)

<i>In thousands of naira</i>	31 December 2014
Percentage ownership interest	51%
Current assets	2,267,860
Non-current assets	11,445,261
Current liabilities	(2,828,408)
Non-current liabilities	(5,517,154)
Net Assets	<u>5,367,559</u>
Share of net assets (51%)	<u>2,737,455</u>

#### (b) Determination of cost of investment

<i>In thousands of naira</i>	
Consideration paid	1,633,265
Consideration payable	4,366,735
Total consideration	<u>6,000,000</u>
Shareholders loan acquired	(3,223,365)
Deposit for shares acquired	(271,535)
Cost of investment	<u>2,505,100</u>

The Group has not applied the equity method of accounting because it acquired Garden City on 31 December 2014 and hence not entitled to a share of the financial performance that occurred during the period.

The carrying amount of the Group's investment in the joint arrangement was tested for impairment as at 31 December 2014. No impairment has been recognized as the Group's share of the fair value of identifiable net assets of the joint arrangement (N2.7 Billion) is in excess of the carrying amount (N2.5 Billion).



## NOTES TO THE FINANCIAL STATEMENTS



*For the period ended 31 December 2014*

- (c) This represents the cost of the Group's investment in Lakowe Lakes Golf Club Limited ("Lakowe"). Management has not equity accounted for its interest in Lakowe based on its conclusion that the Group does not have significant influence over the entity. See note 8(a)(i) for details.

### 24 Loans to related entities

Loans to related entities comprise:

	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
<i>In thousands of naira</i>				
<b>(a) Gross term loans:</b>				
Summerville Golf Club Limited (see (l) below)	-	2,651,478	3,036,972	2,651,478
Farapark Limited (see (iii) below)	121,493	104,462	121,493	104,462
Oakland Properties Limited (see (iv) below)	-	-	723,568	626,425
Oceanwinds Commercial Paper (see (v) below)	262,891	227,221	262,891	227,221
Oceanwinds Mezzanine instrument (see (vi) below)	906,944	797,510	906,944	797,510
Lakowe Lakes Golf Club Limited (see (vii) below)	296,617	-	7,122	-
Beachwood Property Development Company (see (viii) below)	1,452	-	-	-
	<u>1,589,397</u>	<u>3,780,671</u>	<u>5,058,990</u>	<u>4,407,096</u>
<b>(b) Shareholder loan notes:</b>				
Summerville Golf Club Limited (see (ii) below)	-	-	3,653,560	-
Garden City Golf Estate Development Limited (see (ix) below)	3,223,365	-	3,223,365	-
	<u>3,223,365</u>	<u>-</u>	<u>6,876,925</u>	<u>-</u>
Total loans to related parties	<u>4,812,762</u>	<u>3,780,671</u>	<u>11,935,915</u>	<u>4,407,096</u>
Specific allowance for impairment on loans See note (c) below	(760)	-	(75,217)	(27,028)
	<u>4,812,002</u>	<u>3,780,671</u>	<u>11,860,698</u>	<u>4,380,068</u>
<b>(c) The movement in specific impairment allowance on loans was as follows:</b>				
<i>In thousands of naira</i>				
Balance, beginning of period/year	-	-	27,028	-
Additions during the period/year	760	-	48,189	27,028
Balance, end of period/year	<u>760</u>	<u>-</u>	<u>75,217</u>	<u>27,028</u>
<b>(d) The analysis of loans to related parties as at end of the reporting period was as follows:</b>				
<i>In thousands of naira</i>				
Due for more than 12 months				
Loans to related parties	558,852	1,311,831	3,384,802	1,311,831
Due within 12 months				
Loans to related parties	4,253,150	2,468,840	8,475,895	3,068,237
Total	<u>4,812,002</u>	<u>3,780,671</u>	<u>11,860,698</u>	<u>4,380,068</u>



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For the period ended 31 December 2014

(e) Details of the facilities advanced to related entities are as follows:

	Counterparty	Type	Purpose	Interest	Value rate	Maturity date	Restructured date /New	Updates
(i)	Summerville Golf Club Limited	Unsecured commercial paper	Construction of a golf course estate at Lakowe Village, Ibeju Lekki, Lagos.	18%	1-Apr-14	3-Apr-17	Restructured 31 March 2014	Not applicable
(ii)	Summerville Golf Club Limited	Unsecured loan notes	Debt capital finance	19.5%	25-Feb-13	Not applicable	Not applicable	Not applicable
(iii)	Farapark Properties Limited	Unsecured commercial paper	Construction of Farapark Estate on Lekki-Epe expressway, Lagos.	18%	1-Apr-14	3-Apr-17	Restructured 31 March 2014	See note 40 (b)
(iv)	Oakland Properties Limited	Unsecured commercial paper	Construction of lockup shops at Iju Shopping Mall, Lagos.	18%	1-Apr-14	3-Apr-17	Restructured 31 March 2014	Not applicable
(v)	Oceanwinds Hospitality Limited	Unsecured commercial paper	Construction of a hotel along the Lekki expressway, Lagos	18%	1-Apr-14	3-Apr-17	Restructured 31 March 2014	See note 40 (b)
(vi)	Oceanwinds Hospitality Limited	Term loan	Construction of a hotel along the Lekki expressway, Lagos	20%	1-Jan-12	17-Apr-15	Not applicable	Not applicable
(vii)	Lakowe Lakes Golf Club Limited	Unsecured commercial paper	To augment working capital of the Company	18%	1-Apr-14	3-Apr-17	New	Not applicable
(viii)	Beachwood Property Development Company Limited	Unsecured commercial paper	To augment working capital of the Company	18%	1-Apr-14	3-Apr-17	New	Not applicable
(ix)	Garden City Golf Estate Development Limited	Unsecured loan notes	Debt capital finance	10%	22-Aug-13	21-Aug-18	Not applicable	Not applicable

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### 25 Trading properties

(a) This represents the cost of real estate apartments and land designated for resale.

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Land (See (i) below)	3,003,552	3,000,000	3,003,552	3,000,000
Residential apartments (See (ii) below)	40,000	120,000	40,000	120,000
Retail shops (See (iii) below)	53,235	306,907	53,235	232,091
Trading properties under development (See (iv) below)	24,581,611	7,818,509	-	-
Balance, end of period/year	<u>27,678,398</u>	<u>11,245,416</u>	<u>3,096,787</u>	<u>3,352,091</u>

- (i) This represents the cost of 86 hectares of land situated at Lakowe village, Ibeju Lekki area of Lagos State and 75 hectares of land situated at Shapati village, Ibeju Lekki area of Lagos State purchased by the Company for the purpose of developing residential estates. During the year, the Company incurred additional cost of N3,552,000 in developing 25 hectares of the land situated at Shapati village for sale as Townsville Estate Extension.
- (ii) This represents cost of unfurnished 5-bedroom detached apartments with 2-bed maids' unit located at Raymond Njoku Street, on the Farapark Estate Layout.
- (iii) This represents the cost of retail shops at Oluwole Urban Market, Central Business District, Lagos. The Oluwole Urban Market is a fully integrated modern retail and commercial complex supported by first class facilities such as 24-hour security and standby electricity.
- (iv) Trading Properties under development represent cost incurred to date on the construction of Adiva Plainfields Estate Phase II, Ibeju-Lekki, Lagos; residential schemes ("The Enclave" and "The Village") at Lakowe Lakes Golf and Country Estate, Ibeju-Lekki, Lagos; and retail shops at Oluwole Urban Mall, Central Business District, Lagos.

This includes cost incurred on legal/title document, government consents, construction costs, professional fees, interest and charges and other legal charges directly attributable to the properties.

In prior year, this was disclosed as non-current assets. However in the current year, this has been disclosed as current assets to align with the Group's normal operating cycle. In addition, these properties are being constructed with a view for resale to customers as part of the Group's business model.

(b) The movement in trading properties during the period/year was as follows:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance, beginning of period/year	11,245,416	11,282,600	3,352,091	3,352,091
Acquired through business combination	21,142,278	-	-	-
Cost capitalized	1,023,436	150,592	3,552	-
Interest & charges capitalized	27,749	32,836	-	-
Disposals	(5,734,606)	(220,612)	(232,981)	-
Reclassifications to other assets	(25,875)	-	(25,875)	-
Balance, end of period/year	<u>27,678,398</u>	<u>11,245,416</u>	<u>3,096,787</u>	<u>3,352,091</u>

(c) Having considered the market price of similar properties within the same location, the directors are of the opinion that the carrying value of trading properties is not below the market price as at 31 December 2014.



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For the period ended 31 December 2014

### 26 Debtors and prepayments

Debtors and prepayments comprise:

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
<i>(a) Due from related entities:</i>				
Summerville Golf Club Limited	-	1,210,444	329,328	254,318
Townsville Properties Limited	1,673	673	673	673
Cross Town Mall Properties Limited	-	-	-	1,094
Oakland Properties Limited	-	-	-	4,392
Asset & Resource Management Company Limited	3,626,403	3,142,680	-	-
Watford Properties Limited	3,281,250	3,281,250	-	-
Toll Systems Development Company	-	-	4,271	4,271
Oluwole Properties Limited	-	-	168,022	77,750
New Town receivable	62,605	61,802	59,545	59,545
Adiva Properties Limited	-	-	1,694,876	1,694,876
Garden City Golf Estate Development Limited	8,280	326	8,280	326
Lakowe Lakes Golf Club Limited	-	1,000	-	1,000
Beachwood Property Development Company	1,615	1,615	-	-
	<u>6,981,826</u>	<u>7,699,790</u>	<u>2,264,995</u>	<u>2,098,245</u>
<i>(b) Other Receivables</i>				
Trade receivables (See note (i) below)	108,733	500	67,599	500
Sundry debtors	21,156	2,003	2,003	2,003
	<u>129,889</u>	<u>2,503</u>	<u>69,602</u>	<u>2,503</u>
<i>(c) Prepayments and other assets:</i>				
Subscription for investment (See note (iii) below)	271,535	2,052,603	2,520,285	2,007,000
Deposit for land (See note (ii) below)	58,046	36,000	36,000	36,000
Prepaid insurance	8,891	1,238	238	238
WHT recoverable	2,095	1,700	1,700	1,700
Other assets	1,317,236	1,004,838	13,828	258
	<u>1,657,803</u>	<u>3,096,379</u>	<u>2,572,051</u>	<u>2,045,196</u>
Gross debtors and prepayments	<u>8,769,518</u>	<u>10,798,672</u>	<u>4,906,648</u>	<u>4,145,944</u>
Specific allowance for impairment on doubtful receivables See note (d) below	<u>(323,707)</u>	<u>(85,971)</u>	<u>(124,275)</u>	<u>(114,255)</u>
	<u>8,445,811</u>	<u>10,712,701</u>	<u>4,782,373</u>	<u>4,031,689</u>

(i) The amount represents amounts due from customers from the sale of trading properties.

(ii) The amount represents deposits made by the Group for the acquisition of lands for real estate development.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014



(iii) The amount represents subscriptions for investment in the following related entities:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Oluwole Urban Mall Limited	-	-	-	7,000
Summerville Golf Club Limited (See note 9)	-	2,052,603	2,248,750	2,000,000
Garden City Golf Estate Development Limited (See note 23)	217,535	-	271,535	-
	<u>217,535</u>	<u>2,052,603</u>	<u>2,520,285</u>	<u>2,007,000</u>

(d) The movement in the specific allowance for impairment on doubtful receivables was as follows:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance, beginning of period/year	85,971	181,386	114,255	209,670
Additions/(Recoveries) during the year (see note 15)	12,540	(95,415)	10,020	(95,415)
Acquired through business combination	225,196	-	-	-
Balance, end of period/year	<u>323,707</u>	<u>85,971</u>	<u>124,275</u>	<u>114,255</u>

### 27 Cash and cash equivalents

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Cash at bank	232,283	825,435	15,347	713,727
Placements with financial institutions	271,619	-	209,354	-
Short term investments (See note (a) below)	1,603,627	174,143	-	-
	<u>2,107,529</u>	<u>999,578</u>	<u>224,701</u>	<u>713,727</u>

(a) This amount relates to investments made by the Group in approved fund schemes ("Funds") with Assets & Resource Management Company (ARM). These fund schemes are approved by the Securities and Exchange Commission (SEC) Nigeria and amounts invested are repayable on demand. Investments in these Funds are also available to meet short term cash commitments of the Group. Interest accrued on the investments at a range of 11% to 13% during the year.

### 28 Deferred tax liabilities

(a) The movement in deferred tax liabilities during the period/year was as follows:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance, beginning of period/year	5,308,959	5,142,782	-	-
Charge during the period/year (see note 31 (b))	94,161	166,177	-	-
Balance, end of period/year	<u>5,403,120</u>	<u>5,308,959</u>	<u>-</u>	<u>-</u>

(b) Recognized deferred tax liabilities are attributable to the following:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Investment property	5,403,120	5,308,959	-	-
	<u>5,403,120</u>	<u>5,308,959</u>	<u>-</u>	<u>-</u>



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For the period ended 31 December 2014

### 29 Deposit for shares

#### (a) Deposit for shares comprises:

In thousands of naira	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Due to Asset & Resource Management Company Limited (see i below)	15,803,369	8,474,490	15,803,369	8,474,490
Due to Watford Properties Limited (see i below)	16,053,369	8,474,490	15,803,369	8,474,490
	<u>31,856,738</u>	<u>16,948,980</u>	<u>31,606,738</u>	<u>16,948,980</u>

- (i) Deposit for shares represents liabilities due to Asset & Resource Management Company Limited and Watford Properties Limited which were converted to deposit for shares through the approval of the Board of Directors of the Company on 24 February 2011.

During the period, additional balances of N7,328,879,000 each were converted from liabilities due to Asset & Resource Management Company Limited and Watford Properties Limited to deposit for shares through approval from the Board of Directors of the Company.

The Board, at its meeting held on 20 March 2012, approved the conversion of the deposit for shares to preferences shares, subject to approval by the Securities and Exchange Commission (SEC). As at the date of the audit report, the regulatory approval process is yet to be concluded.

### 30 Borrowings

#### Borrowings comprise:

In thousands of naira	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014

#### (a) Due from related entities

ARM Trustees (see note (i) below)	5,846	5,134	5,846	5,134
Townsville Properties Limited (see note (ii) below)	376,742	96,041	129,148	96,041
Oluwole Urban Mall Limited (see note (ii) below)	-	-	6,881	5,970
Oakland Properties Limited (see note (ii) below)	-	-	2,917	2,506
Adiva Properties Limited (see note (ii) below)	-	-	806,688	708,177
Farapark Properties Limited (see note (ii) below)	27,444	-	-	-
Oceanwinds Limited (see note (ii) below)	-	-	-	-
Beachwood Property Development Company (see note (ii) below)	289,282	28,661	-	-
Fixed Income Fund Loan (see note (iii) below)	6,274,530	266,348	308,977	266,348
High Yield Investment Fund Loan (see note (iv) below)	2,115,798	-	2,115,798	-
	<u>9,092,303</u>	<u>396,184</u>	<u>3,376,255</u>	<u>1,084,176</u>

#### (b) Other term borrowings

Shelter Afrique ( see note (v) below)	588,298	844,978	-	-
Shareholder loan (see note (vi) below)	1,352,151	-	-	-
Summerville Notes (NGN) 14% (see note (vii) below)	1,842,637	-	-	-
Preferred Notes of \$100 8% USD (see note (viii) below)	499,385	-	-	-
Secured bank loan (see note (ix) below)	3,583,726	-	-	-
Overdraft facility (see note (x) below)	493,976	-	-	-
	<u>8,360,173</u>	<u>844,978</u>	<u>-</u>	<u>-</u>
	<u>17,452,476</u>	<u>1,241,162</u>	<u>-</u>	<u>-</u>



- (i) This represents term borrowings from ARM Trustees Limited used in augmenting the working capital requirements of the Company. The facility has a repayment date of 22 November 2015 and accrues interest at 18% per annum. The facility is unsecured.
- (ii) This represents facilities obtained from related entities. During the year, the outstanding interest due as at 1st April 2014 were recapitalized following the restructuring off the facilities under new lines of credit. The facilities are tenured for 3 years maturing on 3rd April 2017. Interest accrues at an annual rate of 18% and is repayable on the anniversary of each disbursement. The facilities are unsecured.
- (iii) This represents borrowing from the Fixed Income Fund managed by Asset and Resource Management Company Limited. The facility was obtained for the financing of real estate development projects. The facility has no fixed repayment date and interest accrues at the rate of 18%- 20%. The facilities are unsecured.
- (iv) This represents borrowings from the High Yield Investment Fund managed by Asset and Resource Management Company Limited. The facility was obtained to augment the working capital requirements of the company. The facility is tenored for 180 days and interest accrues at 16% per annum. The facility is unsecured.
- (v) This represents the \$7 million (N1.09 billion) term loan granted to Adiva Properties Limited by Shelter-Afrique (The Company for Habitat and Housing in Africa) to part finance the development of 376 different types of houses and 251 serviced plots together with ancillary facilities and related infrastructure on Phase I of the Adiva Plain Fields project, Lekki, Nigeria.

The facility is repayable in quarterly installments over a period of five (5) years which is inclusive of a 36 month moratorium period from the date of execution of the loan agreement (6th August 2010). The first installment is payable either on March 31st, June 30th, September 30th or December 31st whichever date falls immediately after the expiration of the moratorium. The interest on the loan is at Shelter Afrique's variable base rate plus 3%. The base rate as at 31 December 2014 was 7% per annum and may be adjusted quarterly to reflect movement in the market rate. The facility was guaranteed by Access Bank Plc.

- (vi) This represents shareholders loan notes in Summerville Golf Club Limited subscribed by Watford Properties Limited. The loan notes were issued at a par value of N1,000 and accrues interest at 19.5% annually.
- (vii) This represents debt notes in Summerville Golf Club Limited issued to subscribers an interest rate of 14%-15%.
- (viii) This represents a foreign currency denominated debt notes of USD2.05 million issued by Summerville Golf Club Limited. The interest rate on the loan is 7%-8% annually.
- (ix) This represents N3,500,000,000 term loan from Access Bank Plc with a tenor of five (5) years. The start date of the loan is 28 November 2014 and at an interest rate of 19.5% which is payable quarterly. The loan is secured by tripartite legal mortgage on all the parcel of land measuring 308 hectares located at KM 35 Lekki-Epe Expressway earmarked for the proposed Summerville "Lakowe Lakers" Golf and Country Estate.
- (x) This represents the balance overdrawn on the Company's current account with Access Bank Plc.
- (c) The analysis of borrowings as at end of the period/year was as follows:

	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
<i>In thousands of naira</i>				
<i>Due for more than 12 months</i>				
Borrowings	3,455,725	-	107,709	-
<i>Due within 12 months</i>				
Borrowings	13,996,751	1,241,162	3,268,546	1,084,176
Total	<u>17,452,476</u>	<u>1,241,162</u>	<u>3,376,255</u>	<u>1,084,176</u>



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(d) The movement on borrowings during the period/year is as follows:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance beginning of period/year	1,241,162	1,367,044	1,084,176	852,104
Additions during the period/year	2,645,269	239,575	2,298,779	355,617
Acquired through business combination	13,829,425	-	-	-
Exchange difference	119,856	-	-	-
Repayments during the period/year	(383,236)	(365,457)	(6,700)	(123,545)
Balance end of period/year	<u>17,452,476</u>	<u>1,241,162</u>	<u>3,376,255</u>	<u>1,084,176</u>

31 Current income tax liability

(a) The movement on this account during the year was as follows:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance, beginning of period/year	1,833,255	1,782,090	460,482	459,977
Charge for the period/year (See note (b) below)	382,977	205,261	149,389	154,601
Payments during the period/year	(14,096)	(154,096)	(14,096)	(154,096)
Balance, end of period/year	<u>2,202,136</u>	<u>1,833,255</u>	<u>595,77</u>	<u>460,482</u>

(b) The income tax expense comprises:

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Company income tax	359,406	192,433	140,052	144,939
Tertiary education tax	23,571	12,828	9,337	9,662
	<u>382,977</u>	<u>205,261</u>	<u>149,389</u>	<u>154,601</u>
Deferred tax charge (see note 28 (a))	94,161	166,177	-	-
	<u>477,138</u>	<u>371,438</u>	<u>149,389</u>	<u>154,601</u>

Reconciliation of effective tax rate

<i>In thousands of naira</i>	Group		Company	
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Profit before income tax	1,454,364	2,100,929	328,021	481,234
Income tax using the domestic corporation tax rate	436,309	630,279	98,406	144,370
Impact of tax treatments in subsidiaries	163,934	60,685	-	-
Permanent difference	(188,322)	(332,354)	-	-
Non-deductible expenses	41,646	-	41,646	569
Tertiary education tax	23,571	12,828	9,337	9,662
Total income tax expense in comprehensive income	<u>477,138</u>	<u>371,438</u>	<u>149,389</u>	<u>154,601</u>



## NOTES TO THE FINANCIAL STATEMENTS



*For the period ended 31 December 2014*

### 32 Other liabilities and accruals

Other liabilities and accruals comprise:

<i>In thousands of naira</i>	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
(a) Due to related entities:				
Asset & Resource Management Company Limited - (see note (I) below)	11,068,089	7,284,464	10,838,904	7,253,665
Oluwole Project Account Payable	-	-	-	-
Crosstown Mall Properties Limited	-	-	25,667	26,761
Oakland Properties Limited	-	-	9,884	14,275
Adiva Properties Limited	-	-	34,169	32,689
Watford Properties Limited	1,101,718	9,084,597	1,101,718	9,084,597
Oceanwinds Hospitality Limited	-	-	-	-
Lakowe Lakes Golf Club Limited	78,255	-	-	-
Farapark Properties Limited	12,000	-	-	-
Townsville Properties Limited	33,493	-	-	-
Garden City Golf Estate Development Limited	247,271	848,788	247,271	848,788
Beachwood Property Development Company	20,056	190,731	-	-
	<u>12,560,882</u>	<u>17,408,580</u>	<u>12,257,613</u>	<u>17,260,775</u>
(b) <i>Other liabilities and accruals</i>				
Sundry creditors	3,964,592	915,800	307,518	195,017
Deffered revenue- deposits from customers (see note (ii) below))	10,183,488	5,219,007	84,510	117,500
Accrued expenses	321,966	81,174	12,023	9,648
Accrued directors fees	4,939	5,000	4,939	5,000
WHT payable	248,339	55,971	213,313	55,971
VAT payable	6,718	8,390	12,082	8,390
Other liabilities	971,090	1,379,582	39,211	107,132
	<u>28,262,014</u>	<u>25,073,504</u>	<u>12,931,209</u>	<u>17,759,433</u>

(I) Included in the balance due to Asset & Resource Management Company Limited as at 31st December is the outstanding consideration of N4,366,735,000 payable on the acquisition of interest in Garden City Golf Estate Development Limited (See note 22) and N6,059,560,000 payable for the acquisition of interest in Summerville Golf Club Limited (See note 9).

(ii) This represents amounts received in advance from customers in respect of trading properties (shops, flats and land) for sale

### 33 Share capital

<i>In thousands of naira</i>	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
(a) Authorized- 4,830,512,000 Ordinary shares of 50k each				
169,488,000 preference shares of 50k each	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
(b) Issued and fully paid share capital				
Issued and fully paid				
1,683,557,140 ordinary shares of 50k each	<u>841,779</u>	<u>841,779</u>	<u>841,779</u>	<u>841,779</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

### 34 Share premium

The balance on share premium account was as follows:

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance, beginning & end of year	<u>5,819,185</u>	<u>5,819,185</u>	<u>5,819,185</u>	<u>5,819,185</u>

### 35 Common control acquisition deficit

This represents the adjustment to equity as a result of the difference between the consideration paid and the capital of the company acquired in the year under review (See note 9(d) ).

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance, beginning of period/year	-	-	-	-
Loss on acquisition under common control (See (a) below)	(2,156,000)	-	(2,156,000)	-
Pre-acquisition deficit	<u>(502,516)</u>	-	-	-
Balance, end of period/year	<u>(2,658,516)</u>	<u>-</u>	<u>(2,156,000)</u>	<u>-</u>

### 36 Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

### 37 Non controlling interests

(a) The entities accounting for the non-controlling interest balance is shown below:

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Toll System Development Company Limited	6,535,486	6,464,834	-	-
Oluwole Urban Mall Property Limited	4,308	10,800	-	-
Summerville Golf Club Limited	<u>(236,535)</u>	-	-	-
	<u>6,303,259</u>	<u>6,475,634</u>	<u>-</u>	<u>-</u>

(b) The following table summarizes the information relating to the Group's subsidiary that has material NCI

31 December 2014	Toll System Development Company Limited	Oluwole Urban Mall Property Limited	Summerville Golf Club Limited
<i>In thousands of naira</i>			
NCI percentage	<u>12%</u>	<u>30%</u>	<u>32%</u>
Total Assets	61,290,493	761,319	35,760,933
Total Liabilities	<u>(6,828,109)</u>	<u>(746,959)</u>	<u>(36,497,484)</u>
Net assets	<u>54,462,384</u>	<u>14,360</u>	<u>(736,551)</u>
Carrying amount of NCI	<u>6,535,486</u>	<u>4,308</u>	<u>(236,535)</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014



31 December 2014	Toll System Development Company Limited	Oluwole Urban Mall Property Limited	Summerville Golf Club Limited
<i>In thousands of naira</i>			
NCI percentage	12%	30%	32%
Gross income	964,581	18,002	-
Profit/(loss)	774,308	(24,159)	-
Profit allocated to NCI	92,917	(7,248)	-
Cash flows from operating activities	(203,485)	53,915	(1,115,668)
Cash flows from investing activities	-	-	-
Cash flows from financing activities, before dividends to NCI	226,457	(57,212)	1,736,548
Cash flows from financing activities - cash dividends to NCI	-	-	-
Net increase in cash and cash equivalents	22,972	(3,297)	620,880

31 February 2014	Toll System Development Company Limited	Oluwole Urban Mall Property Limited
<i>In thousands of naira</i>		
NCI percentage	12%	30%
Total Assets	60,324,028	569,857
Total Liabilities	(6,524,791)	(533,858)
Net assets	53,799,237	35,999
Carrying amount of NCI	6,464,834	10,800
Gross income	1,683,560	98,801
Profit/(loss)	1,643,999	(17,121)
Profit allocated to NCI	460,320	(5,136)
Cash flows from operating activities	23,152	162,052
Cash flows from investing activities	-	-
Cash flows from financing activities, before dividends to NCI	-	(139,152)
Cash flows from financing activities - cash dividends to NCI	-	-
Net increase in cash and cash equivalents	23,152	22,900

### 38 Reconciliation notes to consolidated and separate statement of cash flows

#### (a) Loans to related entities

<i>In thousands of naira</i>	Group 31 Dec 2014	Group 28 Feb 2014	Company 31 Dec 2014	Company 28 Feb 2014
Balance at the start of the year	3,780,671	4,114,643	4,407,096	4,678,979
Specific impairment on loans	(760)	-	(75,218)	(27,028)
Interest income earned on loans	547,569	608,334	644,485	608,334
Reclassification from receivables	-	(843,769)	-	(843,769)
Acquired through business combination	288,309	-	3,653,560	-
Shareholder loan acquired from joint venture	3,223,365	-	3,223,365	-
Intercompany balances (Borrowings)	(7,452,607)	-	-	-
Balance at the end of the year	4,812,002	3,780,671	11,860,697	4,407,096
Cash inflow/(outflow)	(4,425,455)	98,537	(7,409)	9,420



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

### (b) Debtor and prepayments

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance at the start of the year	10,712,701	8,915,190	4,145,944	3,308,803
Specific impairment on debtors and prepayments	(12,540)	(95,415)	-	-
Acquired through business combination	24,342	-	-	-
Deposit for shares acquired from joint venture	271,535	-	271,535	-
Deposit for shares acquired from subsidiary	-	-	248,750	-
Reclassification from trading properties	25,875	37,184	-	-
Reclassification from loans to related entities	-	843,769	-	843,769
Exchange gain	5,047	-	-	-
Intercompany balances (Other liabilities)	(386,458)	-	-	-
Other non-cash adjustments	(21,509)	(561)	-	-
Intercompany balances (Deposit for shares)	(2,298,853)	-	-	-
Balance at the end of the year	8,445,811	10,712,701	4,906,648	4,145,944
Cash inflow/(outflow)	<u>(125,671)</u>	<u>(1,012,534)</u>	<u>(240,419)</u>	6,628

### (c) Trading properties

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance at the start of the year	11,245,416	11,223,281	3,352,091	3,352,091
Acquired through business combination	21,142,278	-	-	-
Reclassification from trading properties	(25,875)	(37,184)	-	-
Balance at the end of the year	27,678,398	11,245,416	3,096,787	3,352,091
Cash inflow/(outflow)	<u>4,683,421</u>	<u>(59,319)</u>	<u>255,304</u>	<u>-</u>

### (d) Other liabilities and accruals

<i>In thousands of naira</i>	Group	Group	Company	Company
	31 Dec 2014	28 Feb 2014	31 Dec 2014	28 Feb 2014
Balance at the start of the year	25,073,504	15,455,673	17,759,433	8,493,857
Consideration for acquisition of interest in joint venture	(4,367,985)	-	(4,366,735)	-
Consideration for acquisition of interest in subsidiary	(2,158,500)	(8,342,514)	(6,059,560)	(8,342,514)
Acquired through business combination	(12,666,599)	-	-	-
Intercompany balances (Debtors & prepayments)	386,458	-	-	-
Exchange loss	(3,386)	-	(3,386)	-
Reclassification to deposit for shares	14,657,758	-	14,657,758	-
Balance at the end of the year	28,262,014	25,073,504	12,931,209	17,759,433
Cash inflow/(outflow)	<u>(963,744)</u>	<u>1,275,317</u>	<u>(600,147)</u>	<u>923,062</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014



### 39 Related party transactions

During the period, the Group transacted business such as purchase of properties and other assets with certain companies that are regarded as related entities. Loans to related parties as at 31 December 2014 amounted to N11,935,915,000 (February 2014: N4,407,096,000) as disclosed at note 25. The gross income derived from these related party transactions during the year ended 31 December 2014 amounted to N708,873,000 (February 2014: N729,620,000).

The related parties and balances are listed below:

<i>Related entities</i>	<i>Relationship</i>	<i>Nature of transactions</i>	<i>Note</i>	Group 31 Dec 2014 Due (to)/from N'000	Company 31 Dec 2014 Due (to)/from N'000
ARM Company Limited	Sponsor/ Affiliate	Receivable from entity	26	3,626,403	-
		Payable to entity	32	(11,068,089)	(10,838,904)
		Loan from entity	30	(8,390,328)	(2,424,775)
		Deposit for shares	29	(15,803,369)	(15,803,369)
Oakland Properties Plc	Subsidiary	Loan to entity	24	-	723,568
		Loan from entity	30	-	(2,917)
		Payable to entity	32	-	(9,884)
Cross Town Mall Properties Limited	Subsidiary	Receivable from entity	26	-	-
		Payable to entity	31	-	(25,667)
Oluwole Urban Mall Property Limited	Subsidiary	Receivable from entity	26	-	168,022
		Loan from entity	30	-	(6,881)
Adiva Properties Limited	Subsidiary	Receivable from entity	26	-	1,694,876
		Payable to entity	32	-	(34,169)
		Loan from entity	30	-	(806,688)
Toll Systems Development Company	Subsidiary	Receivable from entity	26	-	4,271
Summerville Golf Club Limited	Subsidiary	Loan to entity	24	-	6,690,532
		Receivable from entity	26	-	329,328
		Deposit for Shares	29	-	2,248,750
		Payable to entity	32	-	-
Garden City Golf Estate Development Limited	Joint venture	Loan to entity	24	3,223,365	3,223,365
		Receivable from entity	26	8,280	8,280
		Deposit for Shares	29	271,535	271,535
ARM Trustees Limited	Affiliate	Loan from entity	30	(5,846)	(5,846)
Oceanwinds Hospitality Limited	Affiliate	Loan to entity	24	1,169,835	1,169,835
		Loan from entity	30	(2,661)	-
Farapark Limited	Affiliate	Loan to entity	24	121,493	121,493
		Loan from entity	30	(27,444)	-
		Payable to entity	32	(12,000)	-
Lakowe Lakes Golf Club Limited	Affiliate	Loan to entity	24	296,617	7,122
		Loan from entity	30	(2,661)	-
		Payable to entity	32	(78,255)	-
		Receivable from entity	26	1,000	-
Watford Properties Limited	Affiliate	Deposit for shares	29	(16,053,369)	(15,803,369)
		Payable to entity	32	(1,101,718)	(1,101,718)
		Loan from entity	30	(1,352,151)	-
		Receivable from entity	26	3,281,250	-
Townsville Properties Limited	Affiliate	Receivable from entity	26	1,673	673
		Loan from entity	30	(376,742)	(129,148)
		Payable to entity	32	(33,493)	-
New Town	Affiliate	Receivable from entity	26	62,605	59,545
Beachwood Property Development Company	Affiliate	Loan to entity	24	1,452	-
		Receivable from entity	26	1,615	-
		Payable to entity	32	(20,056)	-

The above receivables result from expenses incurred by the Company on behalf of the above related parties. Payables result from funds received by the Company on behalf of the related parties.



## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2014

### 40 Changes in presentation

In prior year, trading properties under development was disclosed as non-current assets. These properties are however being constructed with a view for resale to customers as part of the Group's business model. Thus in the current year, this has been disclosed as current assets to align with the Group's normal operating cycle.

<i>In thousands of naira</i>	Reported February 2014	Reclassification adjustment	Restated February 2014
Property and equipment	-	-	-
Investment property	53,671,770	-	53,671,770
Trading properties under development	7,818,509	(7,818,509)	-
Investment in subsidiaries	-	-	-
Loans to related entities	1,311,831	-	1,311,831
<b>Total non-current assets</b>	<b>62,802,110</b>	<b>(7,818,509)</b>	<b>54,983,601</b>
Loan to related entities	2,468,840	-	2,468,840
Trading properties	3,426,907	7,818,509	11,245,416
Debtors and prepayments	10,712,701	-	10,712,701
Cash and cash equivalent	999,578	-	999,578
<b>Total current assets</b>	<b>17,608,026</b>	<b>7,818,509</b>	<b>25,426,535</b>
<b>Total assets</b>	<b>80,410,136</b>	<b>-</b>	<b>80,410,136</b>

This-classification has been considered to be immaterial to the Group financial statements. Hence, a third statement of financial position has not been presented.

### 41 Contingent liabilities

The Group is involved in 1 litigation where the claimant sought court declaration for the ownership of a portion of Tolls Systems and Development Company Limited's investment property (28 February 2014: 1). The action is being contested and the directors and solicitors are of the opinion that no significant liability will arise there from.

### 42 Subsequent events

#### (a) Proposed dividends

The board of directors proposed a dividend of 20k per share on the issued share capital of 1,683,558,000 ordinary share of 50kobo each for the period ended 31 December 2014. The dividend for the prior period (28 February 2014: 17k) was approved at the annual general meeting held on 10 September 2014 and paid during the year.

#### (b) Loans to related parties

Subsequent to the end of the reporting period, the outstanding loan balances due to the Company from Oceanwinds Hospitality Limited ("Oceanwinds") and Farapark Properties Limited ("Farapark") were fully settled before its maturity due date of 3rd April 2017.

The outstanding balance due from Oceanwinds as at 31st March 2015 (N274 million) was converted to deposit for shares following an agreement reached by management of both companies.

The Company also recovered three (3) units of uncompleted flats valued at N120 million as settlement for the outstanding balance due from Farapark as at 31st March 2015 (N126.6 million). The balance of N6.6 million due on the facility on this date was recognized as a receivable balance to be settled in cash.

#### (c) Borrowings

Subsequent to the end of the reporting period, the outstanding borrowings balances due to Adiva Properties Limited ("Adiva"), Oakland Properties Limited ("Oakland") and Oluwole Properties Limited ("Oluwole") were fully settled before its maturity due date of 3rd April 2017.

The outstanding balances due from Adiva (N847.9 million) and Oluwole (N7.1 million) as at 31st March 2015 were offset against intercompany receivable balances. The outstanding borrowings balance due from Oakland (N3.04 million) was offset against the maturing interest due for repayment on the loan facility advanced to the Company.

There are no other subsequent events which could have had a material effect on the financial position of the Company as at 31 December 2014 and the profit for the year ended on that date which have not been adequately provided for or disclosed.

## VALUE ADDED STATEMENTS



Group	31 December		28 February	
<i>In thousands of naira</i>	2014	%	2014	%
<i>Gross earnings</i>	2,383,590		2,473,730	
Bought in goods - local	(915,926)		(1,211,092)	
Specific impairment allowance on financial assets	(13,300)		95,415	
	<u>1,070,117</u>		<u>1,358,053</u>	
<b>DISTRIBUTION</b>				
<b>GOVERNMENT</b>				
Tax expense	477,138	32.8	(371,438)	(27.3)
<b>RETAINED IN THE BUSINESS</b>				
Non-controlling interest	85,669	5.9	455,183	33.5
To augment reserves	891,557	61.3	1,274,308	93.8
	<u>1,454,364</u>	<u>100.0</u>	<u>1,358,053</u>	<u>100.0</u>
<b>Company</b>				
<i>In thousands of naira</i>	31 December		28 February	
	2014	%	2014	%
Gross earnings	746,825		729,620	
Other expenses	(360,595)		(316,773)	
Provision for losses	(58,209)		68,387	
	<u>328,021</u>		<u>481,234</u>	
<b>DISTRIBUTION</b>				
<b>GOVERNMENT</b>				
Tax expense	149,389	45.5	154,601	32.1
<b>RETAINED IN THE BUSINESS</b>				
To augment reserves	178,632	54.5	326,633	67.9
	<u>328,021</u>	<u>100.0</u>	<u>481,234</u>	<u>100.0</u>



## FIVE YEAR FINANCIAL SUMMARY

### Group

<i>In thousands of naira</i>	Group 31 Dec 2014	Group 28 Feb 2014	Group 28 Feb 2013	Group 28 Feb 2012	Group 28 Feb 2011
<b>Assets</b>					
Property and equipment	12,791,751	-	-	627	1,702
Investment properties	54,613,380	53,671,770	52,010,000	52,010,000	52,010,000
Trading Properties under development	-	-	7,759,190	5,313,780	3,816,992
Equity-accounted investment	2,506,350	-	-	-	-
Loans to related entities	4,812,002	3,780,671	4,114,643	4,488,418	3,846,964
Trading Properties	27,678,398	11,245,416	3,464,091	5,194,091	4,802,000
Debtors and prepayments	8,445,811	10,712,701	8,724,360	7,603,475	7,386,118
Cash and cash equivalent	2,107,529	999,578	1,452,701	1,957,737	2,631,146
	<u>112,955,221</u>	<u>80,410,136</u>	<u>77,524,985</u>	<u>76,568,128</u>	<u>74,494,922</u>
<b>Liabilities</b>					
Deferred tax liabilities	5,403,120	5,308,959	5,142,782	5,142,782	5,142,783
Deposit for shares	31,856,738	16,948,980	16,948,980	16,948,980	16,948,980
Borrowings	17,452,476	1,241,162	1,375,574	1,716,843	
Tax payable	2,202,136	1,833,255	1,782,090	1,728,867	1,088,067
Other liabilities and accruals	28,262,014	25,073,504	15,455,673	8,034,571	8,014,116
	<u>85,176,484</u>	<u>50,405,860</u>	<u>40,705,099</u>	<u>33,572,043</u>	<u>31,193,946</u>
<b>Net assets</b>	<u>27,778,737</u>	<u>30,004,276</u>	<u>36,819,886</u>	<u>42,996,085</u>	<u>43,300,976</u>
<b>Capital and reserves</b>					
Share capital	841,779	841,779	841,779	841,779	841,779
Share premium	5,819,185	5,819,185	5,819,185	5,819,185	5,819,185
Common control acquisition deficit	(2,658,516)				
Retained earnings	17,473,030	16,867,678	15,516,358	15,370,654	15,453,407
Non-controlling interest	6,303,259	6,475,634	14,642,564	20,964,467	21,186,605
	<u>27,778,737</u>	<u>30,004,276</u>	<u>36,819,886</u>	<u>42,996,085</u>	<u>43,300,976</u>

<i>In thousands of naira</i>	Group 31 Dec 2014	Group 28 Feb 2014	Group 28 Feb 2013	Group 28 Feb 2012
<b>Total revenue</b>	<u>2,383,590</u>	<u>2,473,730</u>	<u>1,079,166</u>	<u>1,125,555</u>
<b>Profit before income tax</b>	<u>1,454,364</u>	<u>2,100,929</u>	<u>550,476</u>	<u>759,736</u>
<b>Profit/(loss) for the period/year</b>	<u>977,226</u>	<u>1,729,491</u>	<u>344,771</u>	<u>(53,960)</u>
<b>Transfer to retained earnings</b>	<u>891,557</u>	<u>1,274,308</u>	<u>347,731</u>	<u>168,178</u>
<b>Earnings per share - Basic and diluted</b>	<u>53</u>	<u>76</u>	<u>21</u>	<u>(3)</u>
<b>Dividend per share</b>	<u>20</u>	<u>17</u>	<u>12k</u>	<u>13k</u>





Company

<i>In thousands of naira</i>	Company 31 Dec 2014	Company 28 Feb 2014	Company 28 Feb 2013	Company 28 Feb 2012	Company 28 Feb 2011
<b>Assets</b>					
Property and equipment	-	-	-	-	-
Investment property	-	-	-	-	-
Trading Properties under development	-	-	-	-	-
Investment in subsidiaries	31,608,026	31,606,776	23,264,262	16,949,017	16,949,017
Equity-accounted investment	2,505,100	-	-	-	-
Loans to related entities	11,860,697	4,380,068	4,651,951	4,754,017	4,144,163
Trading properties	3,096,787	3,352,091	3,352,091	5,082,091	4,690,000
Debtors and prepayments	4,782,373	4,031,689	3,099,133	374,187	457,615
Cash and cash equivalent	224,701	713,727	102,685	467,874	353,140
	<u>54,077,684</u>	<u>44,084,351</u>	<u>34,470,122</u>	<u>27,627,186</u>	<u>26,593,935</u>
<b>Liabilities</b>					
Deferred tax liabilities	-	-	-	-	-
Deposit for shares	31,606,738	16,948,980	16,948,980	16,948,980	16,948,980
Borrowings	3,376,255	1,084,176	860,634	407,562	-
Current income tax liability	595,775	460,482	459,977	439,586	341,606
Other liabilities and accruals	12,931,209	17,759,433	8,493,857	2,225,781	2,096,138
	<u>48,509,977</u>	<u>36,253,071</u>	<u>26,763,448</u>	<u>20,021,909</u>	<u>19,386,724</u>
<b>Net assets</b>	<u>5,567,707</u>	<u>7,831,280</u>	<u>7,706,674</u>	<u>7,605,277</u>	<u>7,207,211</u>
<b>Capital and reserves</b>					
Share capital	841,779	841,779	841,779	841,779	841,779
Share premium	5,819,185	5,819,185	5,819,185	5,819,185	5,819,185
Capital reserve	(2,156,000)	-	-	-	-
Retained earnings	1,062,743	1,170,316	1,045,710	944,313	546,247
Non-controlling interest	-	-	-	-	-
<b>Shareholders' funds</b>	<u>5,567,707</u>	<u>7,831,280</u>	<u>7,706,674</u>	<u>7,605,277</u>	<u>7,207,211</u>

<i>In thousands of naira</i>	Group 10 months 31 Dec 2014	Group 12 months 28 Feb 2014	Group 12 months 28 Feb 2013	Group 12 months 28 Feb 2012
Total revenue	<u>746,825</u>	<u>729,620</u>	<u>925,812</u>	<u>1,164,994</u>
Profit before income tax	<u>328,021</u>	<u>481,234</u>	<u>476,297</u>	<u>854,130</u>
Profit/(loss) for the period/year	<u>178,632</u>	<u>326,633</u>	<u>303,424</u>	<u>583,255</u>
Transfer to retained earnings	<u>178,632</u>	<u>326,633</u>	<u>303,424</u>	<u>583,255</u>
Earnings per share - Basic and diluted	<u>11k</u>	<u>19k</u>	<u>18k</u>	<u>35k</u>
Dividend per share	<u>20k</u>	<u>17k</u>	<u>12k</u>	<u>13k</u>

# PROXY FORM

**ARM PROPERTIES PLC.** RC.NO:645036  
7th Annual General Meeting to be held at 11:00am  
on Friday, August 7, 2015 at The Club House, Lakowe Lakes Golf and Country Estate, Lakowe, Lagos

being a member/members of **ARM PROPERTIES PLC.**

Do hereby appoint

\* \_\_\_\_\_

Or failing him the Chairman of the Meeting as my/our Proxy to vote on my/our behalf at the General Meeting of the Company to be held on Friday, August 7, 2015.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2015 Shareholder's signature \_\_\_\_\_

## ADMISSION FORM

**ARM PROPERTIES PLC.**  
Annual General Meeting admission

Please admit

To the 7th Annual General Meeting of ARM Properties Plc which will be held at The Club House, Lakowe Lakes Golf and Country Estate, Lakowe, Lagos State.

### IMPORTANT NOTICE:

1. The admission card must be presented by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
2. Shareholders or their proxies are requested to sign the admission card in the appropriate place before attending the Meeting.

### ARM TRUSTEES LIMITED

Company Secretary

THE ANNUAL GENERAL MEETING TO BE HELD AT 11:00 AM ON FRIDAY, AUGUST 7, 2015 AT THE CLUB HOUSE, LAKOWE LAKES GOLF AND COUNTRY ESTATE, LAKOWE, LAGOS STATE

I/We \_\_\_\_\_ \* being a Shareholder/Shareholders of ARM PROPERTIES PLC. (ARMP) hereby appoint \_\_\_\_\_ \* of \_\_\_\_\_ or failing him the Chairman of the Meeting as my/our proxy to act and vote for me/us at the Annual General Meeting of ARM Properties Plc. to be held on Friday, August 7, 2015

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature \_\_\_\_\_

\* Kindly fill in **CAPITAL LETTERS.**

Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above.



# Resolutions

RESOLUTIONS	For	Against
<b>ORDINARY BUSINESS</b>		
1. To receive the Audited Financial Statements for the year ended December 31, 2014 and the Reports of the Directors and Auditors thereon		
2. To declare a dividend		
3. To re-elect Directors		
4. To authorise the Directors to appoint Auditors for the financial year ending December 31, 2015 and to fix the Remuneration of the Auditors		
5. To elect members of the Audit Committee		
<b>SPECIAL BUSINESS</b>		
6. To approve the remuneration of Directors		
7. To ratify the appointment of the following persons as Directors of the Company effective the 1st day of January, 2015: i. Mr. Kola Ashiru-Balogun; and ii. Mr. Bode Olaibi		
8. To consider and if thought fit pass the following resolutions which shall be proposed as special resolutions:  a) That subject to the receipt of the relevant regulatory approval, the name of the Company be and is hereby changed from ARM Properties Plc to Mixta Real Estate Plc.  b) That the Memorandum of Association (the "Memorandum") of the Company be and is hereby amended by deleting Clause A of the Memorandum and substituting it with the following new clause:  <i>"The name of the Company is Mixta Real Estate Plc.</i>		
9. To consider and if thought fit pass the following resolutions which shall be proposed as special resolutions:  <b>RESOLUTION 1</b> "That the Articles of Association of the Company be and are hereby amended by the insertion of a new Article 4A, as follows:  <b>4A Payment for Shares</b> "Subject to the provisions of sections 136 and 137 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the Company may issue shares in return for payment in cash, for valuable consideration other than cash or payment partly in cash and partly by a valuable consideration other than cash."  <b>RESOLUTION 2</b> "That following the Company's acquisition of respective stakes in real estate holding companies/assets as stated herein: (i.) 52% stake in Summerville Golf Club Limited; (ii.) 51% in Garden City Golf Estate Development Limited; (iii.) 82% stake in Toll System Development Company Limited; and (iv.) a land bank measuring approximately 121,700 square meters at Ajayi Apata Royal Estate, Ibeju Lekki, Lagos State (collectively termed the "Assets") and subject to the foregoing resolution being passed, the Company be and is hereby authorized to issue up to 10,768,798,466 ordinary shares of 50 kobo each, to strategic investors, on such terms, as the Board of Directors may decide, in consideration for the acquisition of the Assets and that the Company accepts the Assets as valid consideration for the shares so issued".		
Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above.		

This proxy form should NOT be completed and sent to the registered office of the Registrar if the member would be attending the Meeting in person.

## NOTES

- A member (shareholder) who is unable to attend an Annual General Meeting is allowed to vote by proxy. This proxy form has been prepared to enable you exercise your vote if you cannot personally attend. All proxy forms should be deposited at the registered office of the Registrar (as stated in the notice) not later than 48 hours before the meeting.
- Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked \*) the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
- In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.
- If executed by a corporation, the proxy form should be sealed with the common seal or under the hand of some officers or an attorney duly authorized.
- The proxy must produce the Admission form sent with the Report and Accounts to obtain entrance at the Meeting.

## IF YOU ARE UNABLE TO ATTEND, PLEASE DO THE FOLLOWING:

- Write the name of your proxy (if any) where marked \*
- Ensure that the form is signed by you
- Tear the proxy Form along the perforated lines and post so as to reach the registered office of the Registrar not later than 48 hours before the time of holding the Meeting.





## ARM PROPERTIES PLC

### LIST OF UNPAID DIVIDEND

S/N	NAME
1	LANIPEKUN-LAWAL OLUBUKOLA OLATEJU
2	OMONFOMAN AKHERE PHILIP
3	SOWEMIMO OLUKEMI SUSAN
4	MR & MRS EYO
5	EDUN MOJISOLA FOLUKE
6	POPOOLA NOJEEM OLALEKAN
7	AKPOVWA ESOSUORAKPOR
8	AIKU ADEYOJU PETER
9	ILO DANIEL CHINEDUM
10	MAJIYAGBE AYODAPO IYABO
11	ARIJE RASHEED ORIYOMI
12	SHELL COOPLAG/OLANIYAN OLAYINKA
13	SHITTU SAIDAT MONISOLA
14	OPEODU IBUKUN OLUGBENGA
15	AYINDE OLATOPE OLUBUNMI
16	CAULCRICK OMONIYI
17	CHIADI UCHE
18	CHIGBO JANE ONYINYE
19	CHIKE-DIKE ANGELA EZINWANYI
20	CHUKWUEMEKA MONICA NWANNEKA
21	COKER ADEDOYIN APINKE
22	DADA ABIMBOLA JANET
23	DADA ODUNAYO AFOLABI
24	DANIEL-ADEBAYO OLUYEMISI MOPELOLA
25	DAPO-MAKANJUOLA IFEJESUDAMISI EBUNJESU
26	EHIEDU AGHARINMA
27	ELUCHIE CHUKWUEMEKA CHIAGOZIE
28	EZEOKI ANULIKA JANEFRANCES
29	EZEONYE PETER MMADUABUCHI
30	EZETU CHIEBONAM MAUREEN
31	FADAIRO OLUTUNDE ADEYANJU
32	FAGBIRE OLANREWAJU OLUBUKOLA
33	FAHEUN-MOTESHO YETUNDE MARIA OLAJUMOKE
34	FAJIMI EBUNOLUWA ADELOMO
35	FALADE SIKIRU OYE
36	FAMUREWA OLUWAMODUPE EBENEZER
37	MGBE EKENEDILICHUKWU UZOCHUKWU
38	MOHAMMED OLADIPO ADISA
39	MOMODU-MUSA JAMILA
40	MONYEH MARGARET NWAKANMA



41	MSHELBI LA PHILIP
42	MUTAIRU HABEEBULLAH OLORUNNISHOLA
43	NDUDIRIM CHIBUEZE F
44	NDUDIRIM N EUCHARIA
45	OJI MICHAEL OGBONNAYA
46	OKIKE REX OKORIE
47	OKOLI IKECHUKWU EZEKIEL
48	OKORO IKONMWOSA CLARA
49	OLAJIDE OLANIYI
50	OLUGBILE CHRISTOPHER OLUSEGUN
51	OLUYEMI OMOTAYO OLUWADAMISOLA
52	OMALIKO EKENE NDIDI
53	FIJABI KOLAWOLE
54	ADEYEMI ABIMBOLA ABAYOMI
55	EZEM MAUREEN FAITH
56	NJOKU CHUKWUEMEKA MAXWELL
57	FATUNBI MICHAEL
58	GENITY LTD
59	ADEBOWALE OLUWASEUN JAMES
60	ADEDIRAN OLANIKE TOLULOPE
61	ADEFOPE ADEDOTUN OLUWATOSIN
62	ADELEYE TAIWO ADEWALE
63	ADEPOJU GBENGA ABIOLA
64	ADETUGBOBO IYABO OLABIYI
65	ADEWUNMI OPEYEMI HELEN
66	ADEWUYI NAJEEM KAYODE
67	ADUNOYE OYEWOLE TIMOTHY
68	AGBOOLA OLAFEMI ESTHER
69	AILENBUADE CHRISTOPHER
70	AJOSE-ADEOGUN ABAYOMI OKURIYIKE
71	ALONGE OLUBUSAYO EZEKIEL
72	ANOCHE IFEYINWA MAUREEN
73	ANYANWU EMMANUEL OKECHUKWU
74	AONDONA-ATE BLESSING
75	CHUKWUEMEKA UZOMA NNAEMAKA
76	DAN-MUSA EYITAYO
77	DARAMOLA AKINTOLA SEINDE
78	EBE DAISY OMOYEMWEN
79	EBOH SIMON PETER OGOCHUKWU
80	EDENARU MABEL EHIOSU
81	EGWAKHIDE ABUBAKAR PRECIOUS
82	EGWIM CHIDIMMA UJUNWA
83	EJIM BERNARD CHIDOZIE



## LIST OF UNPAID DIVIDEND

84	EKE PAULINUS UGOCHUKWU
85	EMMANUEL IKE NAOMI AMARACHUKWU
86	ENYINNA TERESA EHISIANYA
87	EREBOR OSAYUWARE
88	EZE NKERIRUKA FAVOUR
89	GENESIS 1 SCULPTURE ENT
90	GIDADO TAOFEK TAIWO
91	IFEJIOFOR EBERECHUKWU CHUKWUDIOGO
92	IGBOKWE AHAMEFULA
93	ITUEN EKAETTE KINGS
94	IWUALA CHUKWUNOMNSO EDMOND
95	KETIKU OMOBAYODE OLUWASEUN
96	LADITI AKINYEMI
97	LASISI KEHINDE PAUL
98	LAWANI OLUWATOSIN
99	MAMUKUYO ADESOLA
100	MAMUKUYO OLUBUNMI
101	MEBUDE ADEDOTUN IDOWU
102	NDUDIRIN CHIEDOZIEM
103	NJERE JOY CHIAKA
104	NNACHI FELIX AMAH
105	NNOKA JULIET OGECHUKWU
106	NOBLE FAITH CATERERS
107	NUHU MUAZU
108	NWABUDIKE LARRY CHIEDU
109	NWABUEZE KINGSLEY KENECHUKWU
110	NWODIKA OBIANUJU OGOCHUKWU
111	NWOWU EUNICE
112	OBA RASHEEDAH BOLARINWA
113	OBAIGBENA EFE
114	OBI NDUBUISI .C & ZIPPORAH .U
115	UGWUEGEDE CHUX
116	UGWUMBA CHIBUZO ATHANASIOUS
117	MAKANJU ADETOKUNBO AYODELE OLUMIDE
118	ABIMBOLA HENRY TUESDAY
119	ADEBAYO BASHIR GBOLAGADE
120	ADEDIRAN OLUWOLE ADEGORIOYE
121	ADEWALE EMMANUEL OLUFEMI
122	AGBOADE ADEDEJI OLUWASEUN
123	OLA-SHODUNKE IFEJOLAADE
124	OLA-SHODUNKE INIOLUWA
125	OKE OLATUNBOSUN AYOTUNDE
126	OMILANI AJIBIKE





127	OSAZUWA PETER OSAGIE
128	IBARHIM YUSUF
129	KOLAWOLE ADENIYI PAUL
130	KOLAWOLE OLAYINKA ABIODUN JAMES
131	OBASI OLUSEYI
132	ABDULLAHI HAFSATU
133	ADASEN UFUOMA
134	ADEBAJO ADEGBOYEGA
135	ADISA AYOOLA
136	AIMIUWU DONNA OSASUMWEN
137	AJAYI ARC. ABIMBOLA OLUBUKUNOLA
138	NZEKA CHUKA
139	AHANEKU ESURU
140	OYEWUMI LATEEF ADELEKE
141	ADEJARE WASIU BABATUNDE
142	ADESHOGA ADERONKE ADEWUNMI
143	BABALOLA KOPE KEYE
144	DUROSARO TOKUNBOH
145	ISMAIL OLUGBENGA OLADIPUPO
146	KOLA ASHIRU-BALOGUN
147	OLUWALETI OLUWASEGUN AMOS
148	AKINTERINWA OLUMIDE
149	IMASEKHA ABIEYUWA
150	KAYLOPE COY LTD
151	MELIE IFEOMA
152	MOMAH PHILIPPA NKIRUKA
153	NWABUFO NNENNA LILY
154	OGUNNOWO BABATOPE GBENGA
155	HAWKSWORTH INVESTMENT LIMITED
156	IHONGBE ODIGIE KELVIN
157	ILORI JOSEPH OSUNTOLA
158	ITAMA EROMOSELE ODION
159	WANG SUNDAY MUSA DAVOU
160	ENWEREUZOR CHUKWUEMEKA
161	AKINWUNMI AYODELE PATRICK
162	ADA OTACHE
163	ADAMS AMINAT ADEBUNKUNOLA
164	ADEJUMO ABIODUN MOBOLAJI
165	ARASTUS BARNABAS INYAWEBOWE
166	OLA-SHODUNKE IFEDEYI
167	OLOWU ABIOLA GBOLAGUNTE
168	OLUGHU WILLIAMS CHIDOZIE
169	TAIWO OLUSOLA ADELUGBA



## LIST OF UNPAID DIVIDEND

170	TALABI OLATAYO DOLAPO
171	IHEKWUMERE UTO
172	SANYAOLU JONATHAN AYO
173	GBAJABIAMILA AMINAT
174	ALIU SOLA
175	FAGBUYI OLALEKAN OLADIPUPO
176	ADEGBITE EMMANUEL
177	BALOGUN MUTIU ADEMOLA
178	ENENDU MIKE OGBONNA
179	OBOT ENO ELKANAH
180	UGBE JOHN
181	EBONG INA ROSE
182	IRELE MODUPEOLA
183	AHMED ADEKUNLE LUQMAN
184	YUSUF RASHEED
185	AROMIRE ROLI MAY
186	BANDELE ADEBUKOLA ABIODUN
187	EZE CHUKA CELESTINE
188	ONWUASOANYA IFEATU OKEDIADI
189	TEJUOSO ADEBAYO
190	OYEWOLE IMO ANNETTE
191	SHONEKAN OLATUNDE
192	IMASUEN OSAGIE ESEOGHENE HARRISON
193	MAHMUD AISHA
194	OKPARA CHIDIEBERE VICTOR
195	OSHOSANYA JUMOKE
196	EKONG EMMANUEL GEORGE
197	OHIWEREI EHINMIGBAI OTOIDE
198	OSAZUWA JOE CHUKS
199	AZUBUIKE UCHE
200	RUFAI OMODELE
201	ABOABA GEORGE OLUMUYIWA
202	AJALA SOLOMON OLUGBEMIGA
203	ORUENE IKIOENE WORIPAGA
204	UME-EZEOKE CHUKWUDI PHILIP
205	ADEWOLE ADESUA OMOLEGHO
206	AKINPELUMI VICTOR OSAWARU
207	AKINSANYA OLADAPO OLUSOLA
208	AMAJOH CHIGOZIRI COLLINS
209	ANIFOWOSHE RILWAN AFOLABI
210	BABALOLA ABIMBOLA ABDUL-AZEEZ OLADEJI
211	BABALOLA BABAJIDE AYOBAMI
212	BUHARI MANNIRA



213	CECILIA MADUEKE
214	EDUN OLUYEMISI
215	FREEMAN OLUSEGUN
216	GARBA RIMAMFENTIN
217	IGBOANUSI CHINEDU JOHN CAMILLUS
218	IYAMABO PATRICK
219	NNAMDI MELIE
220	NNEJI NICHOLAS NWALOZIE
221	NWANKWO CHARLES IKECHUKWU
222	ODITA CHARLES CHIEDU
223	OGBONMIDE CAROLINE OLAYINKA
224	OKEZIE UGOCHUKWU RAPULUCHUKWU
225	RANDLE FOLASADE
226	SANGODOYIN KOLAWOLE TAIYE
227	ISINKAYE OLUSOLA
228	OFONAGORO STANLEY
229	FAGBOYEGUN BOSEDE ABIODUN
230	ADEFOPE ADEBOLA
231	SURA JOHN SUNDAY
232	IKWUNEME VIVIAN ADAKU
233	NZE-IGWE NGWUEZE
234	ORABUEZE BENJAMIN OBIANUJU
235	ALATISE MICHAEL KOLAWOLE
236	IDRIS KEHINDE EWEZE
237	ESTATE OF DR. OLUKAYODE ADELAJA
238	IKPA HENRY CHIDI
239	NYAKO HALIMA
240	AIKHOJE ERAGBAE
241	AJEYALEMI DURO
242	DOZIE UZOMA
243	EDEKI IMUZEI ADEGBOYEGA
244	GARBA JUSTICE MUSA
245	SULEIMAN SALAMATU HUSSAINI
246	OSINAME ADEYINKA OMOLADE
247	ADEBOYE FOLUKE
248	UTUK INYANG MARGARET
249	OSINOWO OLUGBENGA ADEBISI
250	OSUNDE ELIZABETH
251	SALAMI NOFIU ABIDEMI
252	UGWUOKE KEVIN CHUKWUMA ONYEKACHI
253	YOLA MUHTAR BELLO
254	ABIOLA AYOBOLA OLUWAFEMI
255	AGU GEORGE IKECHUKWU



256	OGBIMI JOSHUA OKIREMUTE
257	GBOLAHAN FUNSHO
258	KOYEJO EBENEZER OLATUNJI
259	OSIBEMEKUN OLUWAPELUMI
260	OZOH IKECHUKWU BONIFACE
261	SADIPE OLUGBENGA OLUROTIMI
262	SANTURAKI MOHAMMED KUDU
263	USIAPHRE PATRICK ONOME
264	AKINKUGBE KAYODE
265	EZENACHUKWU STELLA ITEMIMIE
266	GIWA SHAMSUDEEN ADEMOLA
267	SAGOE AYODELE KOFI
268	VASANT KOTHARI
269	KOHOL MIKE TYONONGU
270	OCHADA GREGORY ONYEBUCHI
271	MAFOLABOMI OMOWUNMI GANIAT
272	ONABAMIRO ENITAN
273	EKPO-UMO IRINA ALEXANOR
274	YARO LAWAL DANLADI
275	NGENE CHUKWUEMEKA PATRICK
276	BAJAH DORIS OMERESAN
277	SAMBO ABBAS SANI
278	SHITTU TAIWO OLUDAMILARE
279	ROYDIAM NIGERIA LIMITED
280	ARIBALOYE BABAJIDE
281	ESEKA JOSEPH ONUORA
282	OLUMEYAN TOKUNBO OLORUNSHOLA
283	PETERSIDE SODY
284	GOLDEN UMBRELLA GLOBAL SERVICES LTD
285	ADESOLA ABIODUN ADELOWO
286	OMOTOSO AYODEJI
287	ALHASSAN MOHAMMED SANI
288	LOKPOBRI HEINEKEN
289	ADEBANJO ADENIYI OLAIDE
290	DOZIE CHINYERE
291	SALAG LIMITED
292	ALLI MUTAIRU ABIODUN
293	OKERE AUGUSTINE & OLUSOLA
294	OYEWOLE OLUMUYIWA
295	AKOMAYE EMMANUEL
296	SALIU YUNUS OLALEKAN