



Consolidating our strengths

THE MIXTA REAL ESTATE PLC. ANNUAL REPORT *fy* 2018





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Corporate Information

Mixta Real Estate Plc (“Mixta Nigeria”), formerly ARM Properties Plc., is a leading real estate development company in Nigeria. The company has a strong track record and diverse real estate portfolio, with operations spanning the residential, commercial, and retail sectors of the Nigerian real estate industry.

Mixta Nigeria has successfully delivered close to 3,100 real estate assets, comprising homes, plots and retail outlets to end-buyers. Our success is built on the strength of our asset base — Mixta Nigeria has a Net Asset Value of ₦67 billion, one of the largest in its sector in Nigeria.

Mixta Nigeria executes medium to large scale real estate development projects and also provides real estate advisory services. By carefully and strategically selecting our real estate projects, we are able to contribute to viable community developments and bring about sustainable transformation of the real estate sector.

Mixta Nigeria is a subsidiary of Mixta Africa, S.A. a company wholly owned by Asset & Resource Management Holding Company Limited.

Directors	Arc. Eddy Eguavoen* Kola Ashiru-Balogun Ugochukwu Ndubuisi** Nike Anani Wale Odutola Deji Alli Daniel Font Dafe Akpedeye (SAN)	Chairman of the Board (Independent) Managing Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director (Independent)
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* Deceased on January 11, 2019

** Appointed to the Board effective October 11, 2018

Registered office	8 Kasumu Ekemode Street Off Saka Tinubu Street Victoria Island P.O. Box 52290 Ikoyi Lagos
Auditors	Deloitte & Touche Plot GA 1, Ozumba Mbadiwe Avenue Victoria Island, Lagos.
Company Secretary	ARM Trustees Limited 1 Mekunwen Road Off Oyinkan Abayomi Drive P.O. Box 52290 Ikoyi Lagos
Registrars	Africa Prudential Plc 220B Ikorodu Road Palmgrove Lagos
Bankers	Access Bank Plc. Guaranty Trust Bank Plc. United Bank for Africa Plc. Zenith Bank Plc. First Bank of Nigeria Plc
RC No.	645036



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting of Mixta Real Estate Plc. (the "Company") will be held at Darlington Hall, Plot CDE, Industrial Crescent, Ilupeju, Lagos State, Nigeria on Tuesday, 30th July, 2019 at 10.00 a.m. prompt, to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ending 31st December, 2018 and the Reports of the Directors and Auditors thereon.
2. To re-elect Directors.
3. To authorise the Directors to appoint Deloitte & Touche as Auditors of the Company for the Financial Year ending 31st December, 2019 and to fix their Remuneration.
4. To elect members of the Audit Committee

SPECIAL BUSINESS

5. To ratify the appointment of Mr. Ugochukwu Ndubuisi as a Director of the Company effective on 11th October 2018.
6. To ratify the appointment of Deloitte & Touche as Auditors of the Company for the Financial Year ending 31st December, 2018.
7. To consider and if thought fit pass the following resolutions which shall be proposed as ordinary resolutions:
 - a. "That subject to obtaining the approval of the relevant third parties and regulatory authorities and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors (the "Board"), the Board be and is hereby authorised to:
 - i. raise additional capital of such amount and issue such number of shares as they shall deem appropriate for the Company, through an Initial

Public Offering (Offer for Subscription and/or Offer for Sale), whether underwritten or not and in such proportions, dates and time on such other terms and conditions including the price (whether determined by book building or any other method) as may be determined by the Board (the "IPO");

- ii. *list all or a portion of the shares of the Company on the Main Board of the Nigerian Stock Exchange (the "NSE"), and/or on any other listing segment or boards of the NSE, or any other internationally recognised stock exchange that the Board may deem fit (the "Listing");*
- b. *That the Company hereby authorises the issuance of a prospectus or any other document that may be required in connection with the IPO and the Listing;*
- c. *That the Directors be and are hereby authorised on behalf of the Company to enter into and execute any consent letters, notices, agreements, deeds, undertakings and any other documents necessary for and/or incidental to effecting these resolutions; and to accept and give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions of the proposed IPO and Listing as it may in its absolute discretion, deem fit and proper in the best interest of the Company and to do all such things as are required to give effect to the IPO and Listing; and*
- d. *That the Board, management and officers of the Company be and are hereby authorized to perform all such other acts and do all such other things as may be necessary to give effect to the foregoing resolutions, including but not limited to the appointment of professional parties and advisers, the filing of all required documents with the Corporate Affairs Commission, the NSE, or any other relevant stock exchange and complying with the directives of any regulatory authority."*

Notice of Annual General Meeting (cont'd)

8. To consider and if thought fit pass the following resolution which shall be proposed as an ordinary resolution:
- a. *"That in connection with the proposed transfer by Asset & Resource Management Holding Company Limited ("ARM") of its shares in Mixta Africa, S.A to the Company (the "Transfer"), the Board of Directors (the "Directors") of the Company be and are hereby authorized to issue as consideration for the Transfer, an instrument convertible into shares valued at €33,837,304.86 (Thirty-Three Million Eight Hundred and Thirty-Seven Thousand, Three Hundred and Four Euros and Eighty-Six Cents), with a tenor not exceeding nine (9) months to ARM, on such terms and conditions as the Directors and/or the management may deem fit, subject to obtaining the approval(s) of the relevant third parties and regulatory authorities (where applicable) and dependent on the pricing of the Company's shares in connection with the contemplated Initial Public Offering; and*
- b. *That the Directors are hereby authorized to enter into any agreements, deeds, notices and any other documents necessary for and/or incidental to give effect to the resolution in (i) above."*

Dated 2nd July 2019

By Order of the Board

**ARM TRUSTEES
LIMITED**

ARM Trustees Limited
COMPANY SECRETARY

NOTES

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 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.

CLOSURE OF REGISTER & TRANSFER BOOKS

NOTICE IS HEREBY GIVEN that the Register of Members and Transfer Books of the Company will be closed on Tuesday, 23rd July 2019.

AUDIT COMMITTEE

As stipulated in 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.mixtanigeria.com and the under listed locations:

- i. Africa Prudential 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, 60A Old Market Road, Opposite Broadway Cinema, Onitsha;
- v. Asset & Resource Management Holding Company Limited, 129 Adetokunbo Ademola Crescent Abuja; and
- vi. Asset & Resource Management Holding Company Limited, 12 Circular Road Presidential Estate, GRA Phase II, Port Harcourt.



MD's Foreword

Distinguished shareholders, it is with great pleasure that we present to you, on behalf of the management of your Company, our Financial Year ended 2018 report.

A major challenge in the year was the implementation of the International Financial Reporting Standards (IFRS) 9 and 15. These standards have significantly changed the way companies recognize revenue and treat financial instruments. The effect has been felt across several industries as billions were wiped off companies' financial statements in 2018. We had prepared for these new standards and as such, the impact on our performance, even though significant, did not have as severe implications as it had on some of our competitors.

In 2018, we realigned our strategy to ensure that we are on course to achieve the affordable housing objectives we set for ourselves after the business integration with Mixta Africa in 2015. Our strategy is based on four critical success pillars which include:

1) Finance: Reconstruct the Company's balance sheet

Over the years, we have engaged the public markets to secure debt financing at attractive rates. These funds have been utilised to further expand the infrastructure within our land banks which have materially increased our valuations, reduce obligations to commercial banks which were predominantly expensive for our business, and most importantly, deploy new projects such as Emotan Gardens in Benin City, Residence De La Paix and the Beechwood Park projects in Lekki, Lagos. Collectively, these projects will provide over 2,000 housing units to over 7,500 residents when completed.

Going forward our plans will include returning to the markets to secure longer tenured facilities that align even better with our long-term projects. From an equity perspective, we need to strategically raise fresh equity into the business. When completed, this would further reduce our debt burden and enable us to achieve our objectives.

2) Projects: Strengthen product development and execution

Management introduced two new affordable housing projects in 2018 and the plan is to increase on the number of diverse products in 2019 and beyond. The diversity of products ensures our revenue base remains solid. An increase in our marketing spend will ensure visibility of these products within and outside Nigeria. Accordingly, we have strengthened our marketing team to increase the brand's awareness both offline and online.

Our construction team has equally been strengthened with the addition of more professional staff such as engineers, architects, and quantity surveyors. The teams ensure our projects are delivered not only within time and budget, but most importantly at the high-quality levels that our clients expect from our brand.

3) Customer Service: Use of technology to improve customer service

Exceeding our customers expectations remains our focus. It is becoming difficult to meet these expectations in a world of varying distractions where our services could easily be compared to other mobile experiences. We need to use technology to bridge this gap.

We plan to upgrade our ERP system to ensure customers have timely information on their purchases. We will also deploy tracker systems to monitor the processing of title documentation which has been heavily dependent on 3rd parties. Drones are now being tested to monitor and survey client land areas to ensure they are building within the right parcels. In the next few years, we plan to use block-chain technologies to improve the exchange of client information through secure channels.

4) People: Continue to attract and retain top talent

The steady increase in our revenue and success over the past years can only be attributed to the talented team members that we hire and retain. We will continually provide maximum support and training for our employees in order to deliver excellent services to our clients. We intend to keep on building a dynamic and value-adding company culture to attract passionate and talented employees. Compensation will be at competitive industry levels to ensure that we continually attract and retain new talent.

On a solemn note, we recently lost our Chairman, Arc. Eddy Eguavoen who passed away after a brief illness. This has been a difficult experience. We are forever grateful for his role and guidance over the past 25 years in varying capacities within the group.

I thank you, esteemed shareholders for your investment in our company and for your enduring support as we forge ahead in this difficult economic environment.

God bless.

Kola Ashiru-Balogun
Managing Director



Mission & Vision

Vision

Mixta Nigeria's vision is to be Nigeria's foremost real estate developer

Mission

Creating value for our clients by delivering innovative solutions

Geographical Footprint



Parent Company

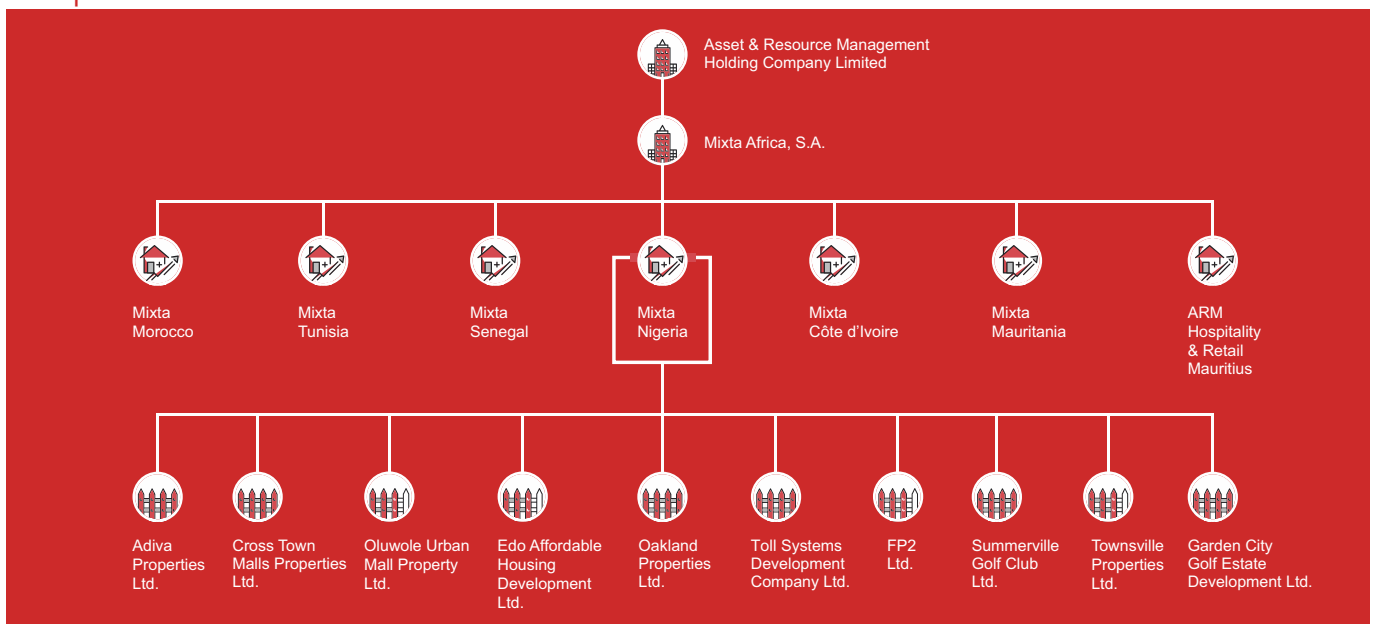
Mixta Africa is a leading real estate company with operations in North and Sub-Saharan Africa, specializing in the development of affordable residential properties.

With headquarters in Barcelona, Spain, Mixta Africa has existing subsidiary operations in 5 countries: Nigeria, Morocco, Tunisia, Senegal and Cote d'Ivoire, as well as past real estate developments in Algeria, Egypt and Mauritania.

Since its inception in 2005, Mixta Africa has successfully delivered close to 10,000 housing units, plots and retail outlets and 2 hotels across Africa and currently boasts a land bank of approximately 15 million square metres.

The Company plans to expand into other countries, and has a vision to be Africa's foremost real estate developer, creating value for clients through the delivery of innovative solutions.

Group Structure





Property Showcase



Lakowe Lakes Golf & Country Estate

Lakowe Lakes Golf & Country Estate, often described as 'West Africa's best kept secret', is a beautiful, luxury community nestled in a peaceful neighbourhood about 35km from the hustle and bustle of Lagos.

We invite you to enjoy the natural beauty and serenity of Lakowe Lakes Golf & Country Estate, our 308-hectare community of beautiful lakes, lush palm groves, spa and hospitality resort, sports facilities, and an 18-hole championship golf course.

The community was designed by a team of award-winning professionals, and is strategically located on the Lekki corridor, and bordered on the south by the Atlantic Ocean.



Villa Bella

At the heart of Lakowe Lakes Golf and Country Estate is a new and exclusive form of living called the Villa Bella, a unique piece of sheer luxury enclosed by privileged views of the golf course.

Designed by international Spanish architectural firm, Freire Arquitectes, the villas offer a harmonious blend of luxury, functionality and nature.



Property showcase (cont'd)



The Cove

The Cove is a small, elegant, luxury development, sitting on three hectares of manicured land, and offering some of the most charming views at Lakowe Lakes in Lekki, Lagos. The residential enclaves at Lakowe Lakes feature a range of homes designed by world class architects for the discerning home buyer, and finished with the finest quality materials.



Beechwood Park Estate

Beechwood Park is a new gated community developed by Mixta Africa, similar to the existing Beechwood Estate which has solid infrastructure that has lasted for almost 15 years.

The estate is strategically located to benefit from the ongoing upgrade and expansion of the Lekki-Epe expressway and is accessible through the Beechwood Estate, and is in close proximity to the exclusive Lakowe Lakes Golf and Country Estate.



Résidence de la Paix (RDP)

RDP at Lagos is modelled after Résidence de la Paix in Dakar. The Estate is an affordable, well planned, mixed-use estate located in Lekki, Lagos.

This project is located close to Lakowe Lakes Golf Estate, and it consists of 2 and 3 bedroom apartments newly built which are ideal starter homes for single professionals and young families.



Fara Park II

Fara Park II is an affordable, well planned, mixed-use estate in Lekki, Lagos. It is a gated estate with a secure perimeter, access control and 24 hour estate security services.

It is in a secure neighborhood with amenities including roads, power and water supply systems.



Property showcase (cont'd)



Adiva Plainfields Estate

Adiva Plainfields is a gated residential community offering attractive homes and serviced plots to prospective buyers. The Estate is developed in phases and on completion, will hold over 1200 homes.

The estate is located within the Adiva Plainfields gated residential community. The development offers attractive homes and serviced plots to prospective buyers.

It is a quality, mixed-use development, which has its own infrastructural amenities including roads, power and water supply systems and a state-of-the-art drainage system which has proven capable of handling torrential rains.



Emotan Gardens Benin

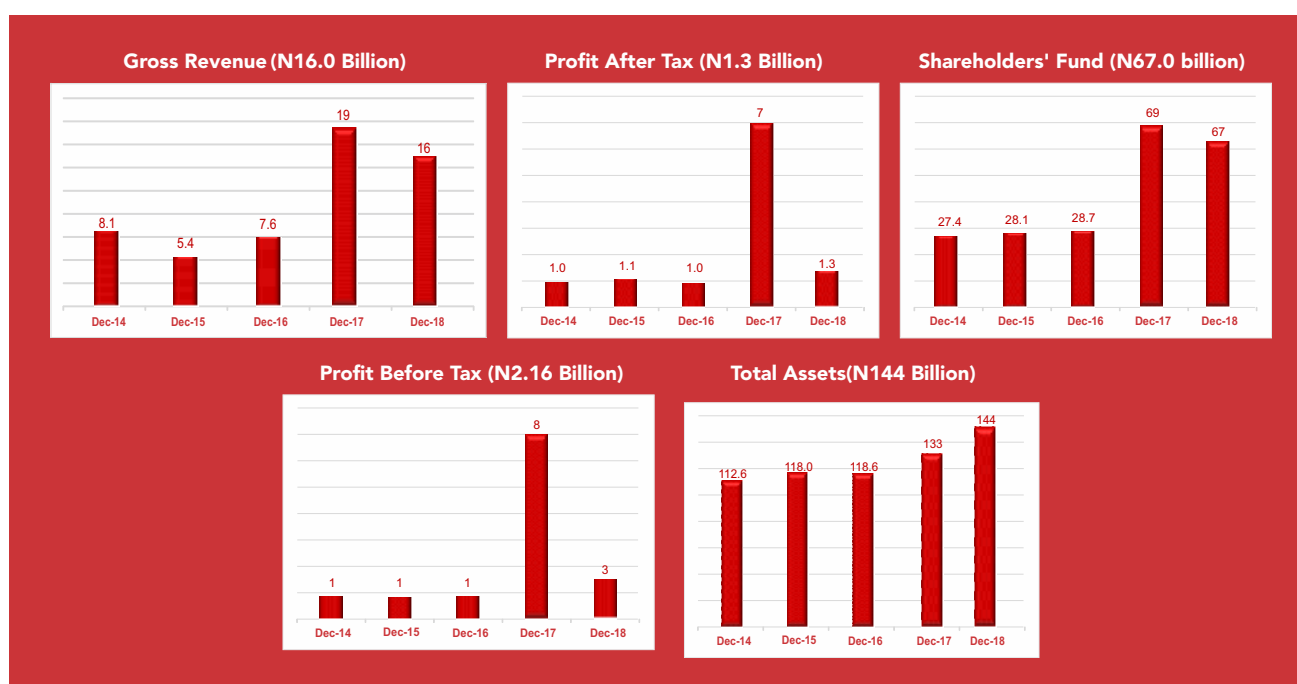
Emotan Gardens, Edo State government- backed 1,451-unit housing project is designed to give peace, beauty and harmony to prospective owners.

The project is going to be a 71-hectare piece of property which is quite extensive and large.

It comprises 2-3 bedroom flats, villas and terrace homes.

Financial Highlights

Financial Statement Caption	Dec-18 (Billion)	Dec-17 (Billion)	Dec-16 (Billion)	Dec-15 (Billion)	Dec-14 (Billion)
Gross Revenue	16.0	19	7.6	5.4	8.1
Profit After tax	1.3	6.6	1.0	1.1	1.0
Shareholders' Funds	67.0	69	28.7	28.1	27.4
Dividend per share	0	0	18.0	23.0	20.0
Total Assets	144	133	118.6	118.0	112.6
Profit Before Tax	2.16	8	1	1	1



Operating results

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

<i>In thousands of naira</i>	Group 31 Dec 2018	Group 31 Dec 2017	Company 31 Dec 2018	Company 31 Dec 2017
Profit before income tax	2,158,966	7,945,482	(1,004,415)	110,842
Income tax expense	(813,654)	(1,283,182)	(4,059)	(36,923)
Profit for the year	1,345,312	6,662,300	(1,008,474)	73,919
Non-controlling interest	(223,264)	(21,347)	-	-
Profit attributable to shareholders	1,122,048	6,640,953	(1,008,474)	73,919
Basic and diluted earnings per share (kobo)	11k	281k	-10k	3k
Dividend per share - DPS in kobo	0k	-	0k	0k



Chairman's Report

Esteemed Shareholders, distinguished ladies and gentlemen,

It is my greatest pleasure to welcome you to the 11th Annual General Meeting of your company, Mixta Real Estate Plc.

Macro-Economic Review

Last year, the Nigerian economy recorded improvements in the areas of growth, price and exchange rate stability, including fiscal stability. Macroeconomic conditions saw a marginal improvement as real growth in GDP rose to 1.93% in 2018 from 0.82% in 2017. The non-oil sector outperformed the oil sector with both sectors achieving growth of 2.00% and 1.14%, respectively, as shutdown in major pipelines and incidences of unsold cargoes negatively impacted the oil sector. The real growth in the non-oil sector was largely driven by the telecommunications sector, which grew rapidly due to steady growth in subscriber numbers along with investments in newer technology. The agricultural sector also contributed meaningfully having benefited from the government's consistent intervention in the form of low-interest credit and subsidized agricultural inputs. Exchange rate remained relatively stable during the year despite pressures emanating from capital repatriation by foreign portfolio investors. To ensure liquidity, the Central Bank of Nigeria (CBN) intensified its intervention in the foreign exchange market, resulting in the convergence of the multiple exchange rates that was prevalent in the economy. The stability in exchange rate and increasing food production led to the decline in average inflation from 16.5% in 2017 to 12.2% in 2018. In achieving the relative price and exchange rate stability, the CBN maintained a hawkish monetary policy by intensifying Open Market Operations to curb excess system liquidity.

The outlook for 2019 is showing further positive signals as the IMF projects the Nigerian economy will grow at a rate of 2.1%, which is an improvement over its 2018 forecast of 1.9%. The optimism of the forecast is premised on the positive outlook for crude oil prices and improved intervention in the non-oil sector. The growth in the non-oil sector is set to improve further as a result of the announcement of a monetary stimulus program which targets providing long term credit at single digits to sectors where employment can be positively impacted. Furthermore, the anticipated review of salaries and wages as well as the expected improvement in consumer confidence will stimulate private consumption and ultimately aggregate effective demand for goods and services. Liquidity in the foreign exchange market and exchange rate stability is expected through increased portfolio inflows, as risk sentiment for emerging market securities improves and the perceived political risk diminishes following the conclusion of the 2019 general elections.

Real Estate Sector Review

The real estate sector further contracted throughout 2018 achieving an annual decline of 4.74% as against a decrease of 4.27% in 2017, thus recording the least growth across all sectors of the economy. This was as a result of the tight monetary environment which discouraged investment, and further weakened consumer spending. Access to medium/long-term capital, mortgage facilities and adequate government support still remains a challenge for developers across the country.

Nevertheless, we have reasons to believe that the real estate sector in Nigeria is still at its growth stage and there is immense opportunity to capitalise on. Given the several

Chairman's Report (cont'd)

constraining issues affecting the sector, the participation of the federal government is critical to ensure issues within the sector, participation by the federal government is critical to ensure that demand is stimulated. One of such programmes by the government is the Family Homes Fund (FHF), which was announced in 2016. The Fund, which is a partnership between the Federal Ministry of Finance and the Nigerian Sovereign Investment Authority, will address both supply and demand side issues relating to affordable housing development. It is anticipated that the fund shall leverage will leverage its significant capital (estimated at N1trn by 2023) to facilitate access to affordable housing for millions of Nigerians in low to medium income groups. The scheme has an ambitious commitment to facilitate and supply 400,000 homes by 2023. Your company plans to be a key player in this scheme and we have only recently executed a Master Housing Agreement with FHF in 2018 to deliver several low cost homes in Nigeria.

Our Performance

It is my pleasure to report to you that 2018 was another strong year for us in many respects. This is in spite of the regulatory headwinds and the challenging business environment. We achieved a healthy performance across all our projects. Our financial results show strong project delivery capacity. In the past years, across all our projects we sold 236 units and handed over 95 units to clients, with 206 units awaiting handover to clients. In light of this, Mixta Nigeria ended the year with sales revenue of N7.01 billion as compared to a corresponding figure of N6.1 billion in 2017

Furthermore, we continued to forge strategic partnerships with public sector counterparties on delivering affordable housing developments across the country. One worthy of note is our collaboration with the Edo State Government to develop 1,451 units of affordable housing in Emotan Gardens located in Benin City. We are on course to delivering on the first phase of the project in 2019.

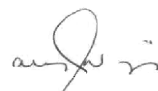
Access to long-term funds still remains a key challenge in the real estate sector and your company is not immune from this. However, we have addressed this challenge by accessing the capital market, and have successfully raised capital on two occasions. We completed our Series II Bond issue in October last year, guaranteed by Guarantco Limited, raising a sum of N5.28 billion to refinance some of our short-term debt obligations.

Our success shows investor confidence in our business which will have a positive impact on our future fund raising activities in the capital markets.

Company Outlook

As we continue to consolidate our position as a leading real estate developer in Nigeria, our core focus this year is to continue to develop our core competences by increasing our capacity operationally and financially. We also seek to reengineer our business and marketing plan to increase our brand visibility to our target market to better distinguish Mixta from our competitors. To this end, it is imperative that we optimise our capital by refinancing our short-term obligations with more appropriately tenured funding that aligns with the requirements of our business. This is key to delivering on affordable housing, and ensuring we deliver value for our customers.

Beyond the need to extend the maturity of our debt portfolio, we also plan to embark on an equity capital raise to be completed by this year. A successful completion of these activities, which we are confident about, will ensure that we are well-positioned to deliver on our business plan as well as create sustained value for you our shareholders in the years to come.



Deji Alli
Acting Chairman



Corporate Governance Report

Mixta Nigeria is committed to maintaining a high standard of corporate governance, and practices the highest level of corporate governance across all business functions. The Company has in place, a Board of astute and consummate individuals with strong professional track records who maintain the fundamental purpose of creating and delivering long term value for its shareholders. In the pursuit to deliver greater shareholder value, the Company continues to maintain the highest standards of corporate governance, which is an essential foundation for sustainable corporate success. Our conviction is that a good corporate governance culture enhances the confidence placed in the Company by its shareholders, partners, employees and the markets in which it operates. The belief that success is only worth celebrating when achieved the right way - through a process supported and sustained by the right values, continues to be one of the Company's guiding principles.

BOARD OF DIRECTORS

The Board is considered a blend of experience and knowledge and is well-diversified. All members are well abreast of their responsibilities and are conversant with the Company's business and its environment, 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 the Company's business. The diversity of the Board is considered a significant strategy in achieving the Company's goals as they are responsible for driving the governance structure of the Company.

BOARD STRUCTURE

The Board is composed of eight (8) directors including two (2) Independent Directors and two (2) Executive Directors. 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. Architect Eddy Eguavoen – Chairman (Independent)**
Eddy Eguavoen is the founding Principal Partner at Voen Associates, a multi-disciplinary real estate design firm. He is a Fellow of the Nigerian Institute of Architects with a career spanning over 35 years in the industry and public service. He has a professional degree in Architecture from Ahmadu Bello University.
- 2. Mr. Dafe Akpedeye (SAN) – Non-Executive Director (Independent)**
Dafe Akpedeye is a Senior Advocate of Nigeria and a Partner at Compos Mentis Chambers, a Law Firm he founded in 1985. He also lectures at the Delta State University. He is a member of the International Bar Association and sits on the National Executive Committee of Nigerian Bar Association. He is a graduate of the University of Lagos and holds a Master of Laws (LLM) degree from Harvard University.



Corporate Governance Report (cont'd)

3. **Mr. Deji Alli (OFR) – Non-Executive Director**
Deji Alli is the Chairman and CEO of Mixta Africa, S.A. Prior to this, he served as the founding CEO of Asset & Resource Management Company Limited (ARM). Deji's career also spans Prudential Portfolio Managers Limited, UK and the African Development Bank. He holds a B.Sc degree in Accounting and a post-graduate degree in Finance from the University of Lagos.
4. **Mr. Daniel Font – Non-Executive Director**
Daniel Font is the Chief Operating Officer and Deputy CEO of Mixta Africa, S.A. Prior to joining the Company in 2008, Daniel held several key positions in Group Diagonal and Bouygues Corp. He holds a Bachelor's Degree in Civil Engineering from the Polytechnic School, an MBA from ESADE Business School and undertook a General Management Program from IESE Business School.
5. **Mr. Wale Odutola – Non-Executive Director**
Wale Odutola is the Managing Director of ARM Pension Managers (PFA) Limited. Prior to this, he served as the Managing Director of ARM Properties Limited, ARM Securities Limited, ARM Hospitality & Retail Fund, and the Head of ARM's Research and Investment Management functions department at various times. Wale holds a B.Sc. in Accounting from the University of Lagos and is an alumnus of the Harvard Business School.
6. **Mr. Kola Ashiru-Balogun – Managing Director**
Kola Ashiru-Balogun is the Managing Director of Mixta Nigeria. Kola has worked in various capacities in Harbor Point Limited, Schonbraun McCann Group, Stonehenge Real Estate Group, The Church Pension Group and Goldman Sachs. Kola holds a B.Sc. in Business Administration from the Bernard Baruch College, Zicklin School of Business and MSc Real Estate with Finance Concentration from the New York University.
7. **Mrs. Olanike Anani – Non-Executive Director**
Olanike Anani has cognate experience in investment management and finance. She is the CEO of CLAD Ltd, a single family office that invests in a range of sectors primarily in Nigeria. Prior to her role at CLAD Ltd, she worked in Deloitte LLP UK and GFI Group. She is a member of the Institute of Chartered Accountants England and Wales and a First Class Economics graduate from University College London, UK. She sits on the boards of several companies.
8. **Mr. Ugochukwu Ndubuisi – Executive Director (Appointment Effective October 11th, 2018)**
Ugochukwu Ndubuisi is the Executive Director in charge of Legal and Corporate Services. Prior to this appointment Ugo Ndubuisi was the Head, Legal and Corporate Services Department of Mixta Nigeria. He has been with the ARM Group for over 10 years working in the capacity of a Senior Counsel within the Group. Ugochukwu holds a First Class Degree in Law from the University of Ibadan and is called to the Nigerian Bar. He also holds a Master's Degree (Distinction) from University College London with specialization in the Law of Banking & Finance.

THE ROLE OF THE BOARD

The Board leads and provides direction for Management by setting strategy and overseeing its implementation. It is also responsible for ensuring an effective system of internal control is maintained and that Management maintains an effective risk management and oversight process across the Company, so that growth is delivered in a controlled and sustainable way. The Board seeks to ensure that, whilst the ultimate focus is long-term growth, Management 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 plans 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 the Company's financial statements and changes to the 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.



Corporate Governance Report (cont'd)

INDUCTION AND CONTINUOUS TRAINING

Upon appointment to the Board and to Board Committees, all Directors receive an induction tailored to meet their individual requirements. The induction, which is arranged by the Company Secretary, includes meetings with senior management staff to assist Directors in acquiring a detailed understanding of the Company's operations, its strategic plan, its business environment, the key issues the Company faces and to introduce Directors to their fiduciary duties and responsibilities. The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education to its Directors, in order to enhance their performance on the Board and the different committees to which they belong.

Attendance at Board Meetings

The Board met five times in 2018. The record of attendance is provided below:

	Names	Designation	March 21, 2018	May 24, 2018	July 12, 2018	October 11 2018	December 21, 2018	
1	Arc. Eddy Eguavoen	Chairman	√	√	√	X	X	3/5
2	Mr. Dafe Akpedeye SAN	Non-Executive Director	X	X	X	X	X	0/5
3	Mr. Deji Alli	Non-Executive Director	√	√	√	√	√	5/5
4	Mr. Daniel Font	Non-Executive Director	√	√	√	√	√	5/5
5	Mr. Wale Odutola	Non-Executive Director	√	√	√	√	√	5/5
6	Mrs. Nike Anani	Non-Executive Director	√	√	√	√	√	5/5
7	Mr. Kola Ashiru-Balogun	Managing Director	√	√	√	√	√	5/5
8	Mr. Ugochukwu Ndubuisi*	Executive Director					√	1/1

*Mr. Ugochukwu Ndubuisi was appointed to the Board on 11th October 2018.

BOARD AND MANAGEMENT COMMITTEES

The Board carries out its oversight functions using Board and Management Committees at the Mixta Africa Group level. This allows for efficiency and 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 practices. The Committees' roles and responsibilities are set out in their Charters, which are reviewed periodically to ensure their relevance. In addition, the Committees' Charters set out the scope of authority, composition of the Committees and procedures for reporting to the Board.

The Board and Management Committees are as follows:

AUDIT AND RISK COMMITTEE

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.

The Company has a well-established internal control system for identifying, managing and monitoring risks. The Risk and Internal Audit functions have reporting responsibilities to the Audit Committee. Both functions have appropriately trained personnel and undergo training on current business and best practice.



Corporate Governance Report (cont'd)

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

	Names	Designation	March 13, 2018	July 10, 2018	October 9, 2018	Feb 5, 2019	
1	Mrs. Adenike Ogunlana	Chairperson	√	√	√	√	4/4
2	Mr. Daniel Font	Member	√	√	√	√	4/4
3	Mr. Deji Alli	Member	√	√	√	√	4/4
4	Mr. Ralph Osayameh	Member	√	√	√	√	4/4
5	Mr. Esan Ogunleye	Member	√	√	√	√	4/4
6	Mr. Wale Odotola	Member	√	√	√	x	3/4

Note: The committee sat to fulfil its required functions and held the required number of meetings during the year.

INVESTMENT COMMITTEE

The Investment Committee assists in fulfilling Management's responsibilities relating to the Company's investment activities. The Committee has oversight responsibility for the evaluation and approval 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.

NOMINATION, REMUNERATION AND HUMAN RESOURCES COMMITTEE

The purpose of the Nomination, Remuneration and Human Resources Committee is to assist the Board in ensuring that the Board's size, composition, skill set and experience are relevant and adequate for the needs of the Group and to ensure that proper processes are in place for the nomination, selection, training and evaluation of the Board of Directors and the Group's senior management. It is also responsible for recommending to the Board the compensation philosophy of the company as it affects staff and Directors, as well as ensuring that appropriate and effective human resource policies, procedures and management are developed and followed by the company.

The functions of the Committee include:

- ❖ identify and make recommendations regarding the necessary skills, knowledge, experience and competencies of directors;
- ❖ develop and review the process for the selection, appointment and re-election of directors
- ❖ fairly and responsibly evaluate, recommend and approve the level and structure of remuneration, compensation and benefits for key management to attract, retain and motivate key management personnel and ensure that they are provided with appropriate incentives to encourage enhanced performance
- ❖ review and make recommendations regarding the adequacy of the Company's human resources framework and policies and performance management systems to ensure best practice and alignment to the Company's wider objectives and strategies;
- ❖ approve policies with regard to pay and conditions of employment for all categories of staff to create a working environment that attracts, retains and motivates high performing employees of good caliber that will enhance the performance of the Company
- ❖ ensure that the Company has appropriate strategies and plans for people management and establish and implement personal development plans for all levels of staff as well as succession plans for key executives and management personnel



Corporate Governance Report (cont'd)

PROJECT MONITORING COMMITTEE

The purpose of the Mixta Africa Project Monitoring Committee (PMC) is to review and approve annual project work plans, to monitor progress in the execution of all projects across the Group to ensure they adhere to an agreed time, budget and quality deliverables, to provide strategic guidance and direction and address stakeholder issues and risks related to project.

The functions of the Committee include:

- v take on responsibility for the Group's business plan, feasibility of all Group projects and achievement of outcomes
- v Review and approve annual project work plan and project deliverables, as well as any changes thereto;
- v Ensure Project Managers are provided with all resources necessary to execute the projects;
- v Ensure that projects are aligned with the organizational strategy and policies of the Group;
- v review, evaluate and monitor the status of the Company's projects, specifically construction progress, construction cost and sales progress in relation to approved plans;
- v Provide advice and feedback on scope, schedule, cost and quality concerns, as well as guidance on issues that arise during the planning, design and implementation of the project

BUSINESS REVIEW COMMITTEE

The purpose of the Mixta Africa Business Review Committee (BRC) is to drive and monitor financial performance of the Mixta Africa Group and its individual subsidiaries and their projects, drive the realization of business plans, assess and regulate the company's risk position and ensure efficient treasury and liquidity management.

The functions of the Committee include:

- ❖ Providing detailed scrutiny of consolidated financial performance of the Company to approved business plans and budgets, and liaise with Management to identify the reason for any divergences;
- ❖ Identify key issues with the businesses and projects and develop corrective actions to resolve issues, assigning responsibilities and timelines for their resolution;
- ❖ Monitor progress on all outstanding issues;
- ❖ Identify and promote opportunities to supplement and enhance income generation;
- ❖ Review standard treasury reports to ensure that financial obligations are being met as at when due and that fund use policies are adhered to.

Detailed terms of reference exist for each of the Committees and these committees meet quarterly and/or on a regular and need basis.

ENVIRONMENTAL SAFETY & SUSTAINABILITY POLICIES

The Company, as a property development entity, is aware that the world's environment is under stress and that uncontrolled human activity threatens the survival of the society. To this effect, the Company has put in place an Environment and Social Governance framework to contribute to the preservation of environmental sustainability whilst addressing potential social risks at all levels of its operations – specifically in its own practices. The Company integrates values of sustainable development into all the firm's activities and promotes sound environmental and social practices in its operations through related policy documents and trainings.

EMPLOYMENT AND EMPLOYEES

Equal Employment Opportunity

The Company maintains an equal employment opportunity policy. It does not discriminate on grounds of race, religion, colour or disability.

Employment of Disabled Persons

The Company maintains a policy of giving same opportunities to applications from disabled persons, bearing in mind their respective aptitudes and abilities. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged.

RELATIONSHIP WITH STAKEHOLDERS & SHAREHOLDER RIGHTS

The Company maintains communication with its stakeholders, which enables them understand our business, financial condition and operating performance and trends. Apart from our annual report and accounts, proxy statements and formal shareholders' meetings, we maintain a rich website that provides information on a wide range of issues for all stakeholders. Also, each registered share 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 with Shareholders as required.

Director's Report

The directors have the pleasure of presenting their report on the affairs of Mixta Real Estate Plc formerly "ARM Properties Plc" ("Mixta Real Estate" or "the Company") and its subsidiary companies (together "the Group") together with the financial statements and auditor's report for the year ended 31 December 2018.

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.

There have been no material changes to the nature of the Group's business from prior periods.

Legal form and business review

Mixta Nigeria was initially incorporated as ARM Real Estate Investment Plc. on 6 February, 2006. Its name was changed to ARM Properties Plc on December 21, 2007. The name ARM Properties Plc was subsequently changed to Mixta Real Estate Plc on 29 September 2015.

The Company currently has eight (8) subsidiaries; Crosstown Malls Properties Limited (99.9%), Adiva Properties Limited (99.9%), Oakland Properties Limited (99.9%), Toll System Development Company Limited - TSD (88%) and Summerville Golf Club Limited (67.9%). During the year, the Company acquired 100% stake in Townsville Properties Limited from ARM Company Limited. The company also incorporated two subsidiaries namely Edo Affordable Housing Development Limited (70%) and FP2 Limited (100%).

The Company also has joint control and owns 51% of the 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 estates and ancillary amenities.

Dividends

No dividend was proposed by the directors for the financial year ended 31 December 2018 (December 2017: Nil.)

Directors and their interests:

The directors who served during the year were:

Kola Ashiru-Balogun	-	Managing Director
Ugochukwu Ndubuisi*	-	Executive Director
Nike Anani	-	Non-Executive Director
Wale Odutola	-	Non-Executive Director
Deji Alli ***	-	Non-Executive Director
Daniel Font	-	Non-Executive Director
Dafe Akpedeye (SAN)	-	Non-Executive Director (Independent)
Arc. Eddy Eguavoen **	-	Chairman of the Board (Independent)

*Appointed effective 11th October, 2018

**Deceased on 11 January, 2019

*** Acting Chairman effective 11 January 2019

Director's Report (cont'd)

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	
	December 2018	December 2017
Kola Ashiru-Balogun	40,000	40,000
Nike Anani	Nil	Nil
Wale Odutola	2	2
Deji Alli	2	2
Daniel Font	Nil	Nil
Dafe Akpedeye (SAN)	Nil	Nil
Arc. Eddy Eguavoen	Nil	Nil
Ugochukwu Ndubuisi	Nil	Nil

For the purpose of sections 275 and 276 of the Companies and Allied Matters Act of Nigeria, the Directors have declared that they do not have any indirect interest in the shares of the Company.

Director's interest in contracts

For the purpose of section 277 of the Companies and Allied Matters Act, none of the existing directors had direct or indirect interests in contracts or proposed contracts with the Company during the period.

Substantial interest in shares

According to the register of members as at 31 December 2018, no shareholder held more than 5% of the issued share capital of the Company except the following:

Shareholders	31 December 2018		31 December 2017	
	Number of shares held	Percentage of Shareholding	Number of shares held	Percentage of Shareholding
Mixta Africa S.A.	644,009,407	6.55%	644,009,407	6.55%
Asset and Resource Management Holdings Limited	4,354,936,164	44.31%	4,354,936,164	44.31%
Gairloch Limited	1,957,556,986	19.9%	3,789,776,811	38.56%
Watford Properties	2,242,004,800	22.8%	Nil	Nil

Property and equipment

Information relating to changes in property and equipment is given in note 19 to the financial statements.

Health safety and welfare at work including employment of disabled persons

The Group enforces 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.

The Group 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.

Applications from suitably qualified disabled persons are welcomed by the Group. Where an employee becomes disabled, every effort is made to ensure continued employment. At present, the Group has no employee with physical disability.

Director's Report (cont'd)

Subsequent event

Other than the items disclosed in note 41, 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 2018 or the profit for the year ended on that date, which have not been adequately provided for or disclosed.

Auditors

The Auditors, Messrs. Deloitte & Touche (Chartered Accountants) appointed during the year 2018, have indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004.

A resolution will be proposed at the Annual General Meeting to authorize the Directors to determine their remuneration

BY ORDER OF THE BOARD

**ARM TRUSTEES
LIMITED**

ARM Trustees Limited
Company Secretary
1, Mekunwen Road,
Off Oyinkan Abayomi Drive,
Ikoyi, Lagos.
June 2019

Statement of Directors' Responsibilities In Relation to the Financial Statements

The Directors of Mixta Real Estate Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the company as at 31 December 2018, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- Making an assessment of the Company's ability to continue as a going concern

The Directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- Maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS; Taking steps that are reasonably available to them to safeguard the assets of the Company; and Preventing and detecting fraud and other irregularities.

Going Concern

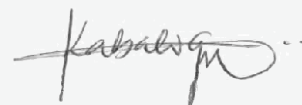
The Directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The financial statements of Mixta Real Estate Plc for the year ended 31 December 2018 were approved by the Board of Directors on 31 May, 2019.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Deji Alli
FRC/2013/IODN/00000002752
Acting Chairman
31 May, 2019

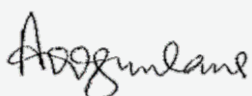


Kola Ashiru-Balogun
FRC/2016/IODN/00000015616
Managing Director
31 May, 2019

Audit Committee Report

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, Cap C.20, laws of the Federation of Nigeria, 2004 the members of the Audit Committee of Mixta Real Estate Plc hereby report on the financial statements for the year ended 31 December 2018 as follows:

- We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, Cap C.20, laws of the Federation of Nigeria, 2004, 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 2018 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.



Mrs. Adenike Ogunlana
FRC/2015/ICAN/00000011613
Chairperson, Audit Committee
May 2019

Members of the audit committee are:

1	Mrs. Adenike Ogunlana	Chairperson
2	Mr. Deji Alli	Member
3	Mr. Wale Odutola	Member
4	Mr. Daniel Font	Member
5	Mr. Ralph Osayameh	Member
6	Mr. Esan Ogunleye	Member

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mixta Real Estate Plc

We have audited the accompanying consolidated and separate financial statements of Mixta Real Estate Plc (the company) and its subsidiaries (together the group) which comprise the Consolidated and separate statement of financial position as at 31 December 2018, the Consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity, Consolidated and separate statement of cash flow for the year then ended, and the notes to the Consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly in all material respect the Consolidated and Separate financial position of Mixta Real Estate Plc as at 31 December, 2018 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004, the Investment and Securities Act CAP S124 LFN 2007, and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Measurement of trading properties	
Properties under construction acquired for resale in the ordinary course of business, whose realizable value is determined based on current selling price of similar properties and estimated selling prices for properties under construction.	<p>Our procedures included the following among others:</p> <ul style="list-style-type: none">• Assessment of the reasonableness of the net realizable value per management with independent market information for similar properties.• Assessment of the net realizable value of landed property in trading properties, which was derived from the professional valuation report of similar investment property within the Group's property portfolio.• We evaluated the qualification of the external expert engaged by management to determine if they are appropriately qualified to carry out the valuation exercise.

Key Audit Matter

How the matter was addressed in the audit

Valuation of derivative financial instruments

The Group has investment in landed property, which is classified as investment property and is carried at fair value. The determination of the fair value involves management's estimate and exercise of significant judgment, which requires key subjective inputs and assumptions. The level of judgment involved in the determination of the fair value, makes Investment Property an area of significance in our audit.

Management engaged Messrs CBRE Excellerate Estate Surveyors and Valuers (FRC/2014/NIESV/0000006738) to perform the independent valuation of property.

Investment property is stated at fair value and has been determined based on acceptable valuation methodology.

Our procedures included the following among others:

- Evaluation of the qualification of the external experts engaged by management to ensure that they were qualified to carry out the valuation.
- Assessment of the valuation results by the external expert engaged by management by comparing it to relevant independent property price information.
- Evaluation of the reasonableness of the assumptions made for the valuation of the investment property of the Group.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Governance Report, Management Commentary, Enterprise Risk Management Report, Directors' Report, Chairman's Statement, result at a glance and MD/CEO's review, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Insurance Act I17 LFN 2004, circulars and guidelines issued by the National Insurance Commission (NAICOM), Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee and the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee and Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 and Section 28 (2) of the Insurance Act I17 LFN 2004, we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's statement of financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account.

No evidence of non-compliance with laws and regulations (NOCLAR) was brought to our notice during the year.



For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
June 2019

Engagement partner: David Achugamonu, FCA
FRC/2013/ICAN/00000000840



Consolidated Statement of Profit or Loss and Other Comprehensive Income

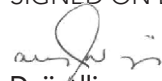
<i>In thousands of Naira</i>	Notes	Group 2018	Group 2017	Company 2018	Company 2017
Revenue-sales of trading properties	9	7,012,933	6,079,834	898,069	2,922,943
Cost of sales- trading properties	10	(6,257,842)	(5,535,724)	(394,053)	(2,212,327)
Profit on sale of trading properties		755,091	544,110	504,016	710,616
Fair value gain on investment property	11	7,891,350	12,387,835	-	-
Interest income	12	1,084,646	582,302	3,207,575	1,268,915
Other income	13	133,865	233,095	1,161,670	834,842
Other operating income		9,109,861	13,203,232	4,369,245	2,103,757
Net impairment (loss)/reversal on assets	14	(1,281,892)	(2,266,287)	(1,287,849)	-
Personnel expenses	15	(513,650)	(386,109)	(476,722)	(386,109)
Depreciation	19	(224,938)	(223,471)	(31,541)	(28,141)
Operating expenses	16	(1,330,974)	(770,789)	(620,757)	(508,659)
Total expenses		(3,351,454)	(3,646,656)	(2,416,869)	(922,909)
Operating profit before finance costs		6,513,498	10,100,686	2,456,392	1,891,464
Finance costs	17	(4,425,046)	(2,186,287)	(3,460,807)	(1,780,622)
Share of profit /(loss) of equity-accounted investment	22(c)	70,514	31,083	-	-
Profit/ (loss) before income tax		2,158,966	7,945,482	(1,004,415)	110,842
Income tax expense	30(b)	(813,654)	(1,283,182)	(4,059)	(36,923)
Profit/ (loss) for the year		<u>1,345,312</u>	<u>6,662,300</u>	<u>(1,008,474)</u>	<u>73,919</u>
Other comprehensive income		-	-	-	-
Other comprehensive income net of tax		-	-	-	-
Total comprehensive income for the year		<u>1,345,312</u>	<u>6,662,300</u>	<u>(1,008,474)</u>	<u>73,919</u>
Profit attributable to:					
Equity holders		1,122,048	6,640,953	(1,008,474)	73,919
Non-controlling interests		223,264	21,347	-	-
		<u>1,345,312</u>	<u>6,662,300</u>	<u>(1,008,474)</u>	<u>73,919</u>
Total comprehensive income attributable to:					
Equity holders		1,122,048	6,640,953	(1,008,474)	73,919
Non-controlling interests		223,264	21,347	-	-
		<u>1,345,312</u>	<u>6,662,300</u>	<u>(1,008,474)</u>	<u>73,919</u>
Basic and Diluted Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in kobo per share):					
- Basic and Diluted Earnings per share (in kobo)	18	11.42k	281k	-10k	3k

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

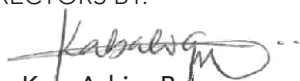
Consolidated and Separate Statements of Financial Position

<i>In thousands of naira</i>	Notes	Group 2018	Group 2017	Company 2018	Company 2017
Non-current assets					
Property, plant and equipment	19	11,273,699	11,424,838	76,715	92,643
Investment property	20	78,000,000	70,000,000	-	-
Investment in subsidiaries	21	-	-	31,664,272	31,608,019
Equity-accounted investment	22	2,599,395	2,528,881	2,505,100	2,505,100
Goodwill	21(d)	56,106	-	-	-
Debtors and prepayments	25	1,458,090	4,851,207	2,345,889	9,932,324
Loans to related entities	23	8,139,653	6,816,261	8,256,339	10,987,227
Total non-current assets		101,526,943	95,621,187	44,848,315	55,125,313
Current assets					
Loan to related entities	23	1,186,878	154,745	15,130,818	3,398,050
Trading properties	24	29,883,828	30,361,980	2,751,116	4,358,846
Debtors and prepayments	25	8,520,697	5,200,768	14,061,817	6,046,854
Cash and cash equivalents	26	2,792,908	2,094,167	2,449,820	1,960,482
Total current assets		42,384,311	37,811,660	34,393,571	15,764,232
Total assets		143,911,254	133,432,847	79,241,886	70,889,545
Non-current liabilities					
Borrowings	29	16,623,547	12,050,139	13,308,816	10,239,654
Deferred tax liabilities	27	7,729,562	6,940,427	12,441	12,441
Deposit for shares	28	253,746	247,500	-	-
Total non-current liabilities		24,606,855	19,238,066	13,321,257	10,252,095
Current liabilities					
Borrowings	29	26,405,285	22,477,684	11,381,922	4,532,038
Current income tax liability	30	1,898,946	2,007,764	276,296	342,127
Other liabilities and accruals	31	16,515,475	11,833,093	17,924,378	15,412,718
Deferred revenue-deposit from customers	32	4,394,441	5,161,790	(9,843)	851,039
Provisions	33	3,115,988	3,799,133	410,811	777,359
Total current liabilities		52,330,135	45,279,464	29,983,564	21,915,281
Total liabilities		76,936,990	64,517,530	43,304,821	32,167,376
Equity					
Share capital	34	4,914,135	4,914,135	4,914,135	4,914,135
Share premium	35	35,565,809	35,565,809	35,565,809	35,565,809
Common control acquisition deficit	36(a)	(2,920,407)	(2,920,407)	(2,156,000)	(2,156,000)
Retained earnings	36(b)	22,769,216	24,448,810	(2,386,879)	398,225
		60,328,753	62,008,347	35,937,065	38,722,169
Non-controlling interest	37	6,645,511	6,906,970	-	-
Total equity		66,974,264	68,915,317	35,937,065	38,722,169
Total liabilities and equity		143,911,254	133,432,847	79,241,886	70,889,545

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Deji Alli
FRC/2013/IODN/00000002752
Acting Chairman



Koja Ashiru-Balogun
FRC/2016/IODN/00000015616
Managing Director



Oyeniyi Fakunle
FRC/2013/MULTI/00000005480
Chief Financial Officer

Approved by the Board of Directors on 30th May 2019

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

Consolidated and Separate Statements of Changes in Equity

GROUP

For the year ended 31 December 2018

<i>In thousands of naira</i>	Share capital	Share premium	Retained earnings	Common control acquisition deficit	Non controlling Interest	Total equity
At 1 January 2018	4,914,135	35,565,809	24,448,810	(2,920,407)	6,906,970	68,915,317
IFRS 9 transition ECL			(2,801,642)		(485,023)	(3,286,665)
At 1 January 2018 (revised)	4,914,135	35,565,809	21,647,168	(2,920,407)	6,421,947	65,628,652
New shares issued	-	-	-	-	-	-
Issue cost	-	-	-	-	-	-
Arising from business combination	-	-	-	-	300	300
<i>Total comprehensive income for the year:</i>						
Profit for the year	-	-	1,122,048	-	223,264	1,345,312
Other comprehensive income, net of tax	-	-	-	-	-	-
	4,914,135	35,565,809	22,769,215	(2,920,407)	6,645,511	66,974,263
Transactions with equity holders						
Dividend paid	-	-	-	-	-	-
	-	-	-	-	-	-
Balance at 31 December 2018	4,914,135	35,565,809	22,769,215	(2,920,407)	6,645,511	66,974,263

<i>In thousands of naira</i>	Share capital	Share premium	Retained earnings	Common control acquisition deficit	Non controlling Interest	Total equity
Balance at 1 January 2017	841,779	5,819,185	18,110,362	(2,920,407)	6,854,129	28,705,048
New shares issued	4,072,356	29,891,096				33,963,452
Issue cost		(144,472)				(144,472)
Total comprehensive income for the year:						
Profit for the year	-	-	6,640,953	-	21,347	6,662,300
Other comprehensive income, net of tax	-	-	-	-	-	-
	4,914,135	35,565,809	24,751,316	(2,920,407)	6,875,476	69,186,329
Transactions with equity holders						
Gain on disposal of a subsidiary	-	-	534	-	31,494	32,028
Dividend paid	-	-	(303,040)	-	-	(303,040)
	-	-	(302,506)	-	31,494	(271,012)
Balance at 31 December 2017	4,914,135	35,565,809	24,448,810	(2,920,407)	6,906,970	68,915,317

Consolidated and Separate Statements of Changes in Equity

COMPANY

For the year ended 31 December 2018

<i>In thousands of naira</i>	Share capital	Share premium	Retained earnings	Common control acquisition deficit	Total equity
At 1 January 2018	4,914,135	35,565,809	398,225	(2,156,000)	38,722,169
IFRS 9 transition ECL			(1,776,630)		(1,776,630)
At 1 January 2018 (Revised)	4,914,135	35,565,809	(1,378,405)	(2,156,000)	36,945,539
New shares issued	-	-	-	-	-
Share issue costs	-	-	-	-	-
Total comprehensive income for the year:					
Profit/(loss) for the year	-	-	(1,008,474)	-	(1,008,474)
	4,914,135	35,565,809	(2,386,879)	(2,156,000)	35,937,065
Transactions with equity holders					
Dividend paid	-	-	-	-	-
Balance at 31 December 2018	4,914,135	35,565,809	(2,386,879)	(2,156,000)	35,937,065

For the year ended 31 December 2017

<i>In thousands of naira</i>	Share capital	Share premium	Retained earnings	Common control acquisition deficit	Total equity
Balance at 1 January 2017	841,779	5,819,185	627,346	(2,156,000)	5,132,310
New shares issued	4,072,356	29,891,096			33,963,452
Share issue costs		(144,472)			(144,472)
Total comprehensive income for the year:					
Profit/(loss) for the year	-	-	73,919	-	73,919
	4,914,135	35,565,809	701,265	(2,156,000)	39,025,209
Transactions with equity holders					
Dividend paid	-	-	(303,040)	-	(303,040)
Balance at 31 December 2017	4,914,135	35,565,809	398,225	(2,156,000)	38,722,169

Consolidated and Separate Statements of Cash Flows

In thousands of naira		Group	Group	Company	Company
	Notes	2018	2017	2018	2017
Operating activities:					
Profit/ (loss) for the year		1,345,312	6,662,300	(1,008,474)	73,919
Income tax expense	30(b)	813,654	1,283,182	4,059	36,923
Profit before income tax		2,158,966	7,945,482	(1,004,415)	110,842
Adjustments to reconcile profit before taxation to net cash flow from operating activities:					
- Depreciation	19	224,938	223,471	31,541	28,141
- Net impairment loss in financial assets	14	1,281,892	2,266,287	1,287,849	-
- Fair value gain on investment property	11	(7,891,350)	(12,387,835)	-	-
- Interest income earned	12	(998,447)	(582,302)	(3,137,443)	(1,268,915)
- Interest expense incurred	17	4,408,245	1,976,032	3,445,890	1,571,806
- Provision	38(f)	(683,143)	1,464,754	(366,551)	610,443
- Exchange loss/(gain)	13/16	(766)	62,481	(1,501)	60,307
- Loss on disposal of subsidiary - Oluwole		-	-	-	7
- Share of profit of equity-accounted investment	22(c(ii))	(70,514)	(31,083)	-	-
Net cash flow from operating activities before changes in operating assets and liabilities		(1,570,179)	(937,287)	255,370	1,112,631
Changes in:					
- Loan to related entities	38(a)	(1,889,402)	(1,447,108)	(6,358,312)	(3,394,168)
- Goodwill					
- Trading properties	38(b)	3,718,863	2,045,243	1,612,977	137,437
- Debtor and prepayments	38(c)	(4,150,353)	(1,858,428)	(3,271,689)	(2,050,824)
- Other liabilities and accruals	38(d)	4,194,715	(750,447)	2,474,969	(1,069,235)
- Deposit for shares		6,246	-	-	-
- Deferred revenue- customer deposits	38(e)	(767,349)	(2,305,356)	(860,882)	(31,480)
		(457,459)	(3,378,809)	(6,147,567)	(5,295,639)
Interest received		41,462	46,655	41,462	42,702
Income tax paid	30(a)	(278,883)	(109,279)	(69,892)	(109,280)
VAT paid		(19,562)	(293)	(19,562)	(293)
Interest paid	29(d)	(2,055,172)	(2,124,601)	(907,157)	(428,142)
Net cash (used in) operating activities		(2,769,614)	(5,566,327)	(7,102,716)	(5,790,652)
Investing activities:					
Additional investment in investment properties	20b	(108,650)	(36,281)	-	-
Cash acquired through business combination	39	505,120		-	-
Cash transferred on disposal of investment		238,215	(207)	238,214	-
Acquisition of property and equipment	19	(73,805)	(35,660)	(21,231)	(18,860)
Interest income earned on borrowed funds invested		-	(50,549)	-	(44,919)
Net cash (used in) generated from investing activities		560,880	(122,697)	216,983	(63,779)
Financing activities:					
Dividend paid		-	(303,040)	-	(303,040)
Deposit for shares		-	(1,250)	-	-
Net proceeds from borrowings	29(d)	10,166,280	10,844,147	13,448,784	10,537,266
Repayment of borrowings	29(d)	(7,258,805)	(3,413,504)	(6,073,714)	(2,941,776)
Net cash generated from financing activities		2,907,475	7,126,353	7,375,070	7,292,450
Net (decrease) /increase in cash and cash equivalents		698,741	1,437,329	489,338	1,438,019
Cash and cash equivalent as at beginning of the year	26	2,094,167	656,838	1,960,482	522,463
Cash and cash equivalent as at year end	26	2,792,908	2,094,164	2,449,820	1,960,482

Notes to the Consolidated and Separate Financial Statements

1 Reporting entity

Mixta Real Estate Plc is a Company domiciled in Nigeria. The registered address of the Company's office is 8 Kasumu Ekemode Street, Off Saka Tinubu Street, Victoria Island, Lagos. The consolidated and separate financial statements of the Company as at and for the year ended 31 December 2018 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.

Mixta Real Estate Plc is a subsidiary of Mixta Africa Group, which is the parent Company. Mixta Africa Group is primarily involved in residential construction, and the purchase, development and sale of land. The address of Mixta Africa's registered office is Calle Tavern 40, Barcelona, Spain.

2 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act of Nigeria, Cap C.20, laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

3 Basis of preparation

(a) 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.

(b) Basis of measurement

These consolidated and separate financial statements are prepared on the historical cost basis except for:

- i) Investment property which is measured at fair value
- ii) Trading properties measured at the lower of cost and net realizable value.
- iii) Loans and receivables and other financial liabilities measured at amortized cost using the effective interest rate.

(c) 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.

(d) 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 2018 and earlier application is permitted; however, the Group and Company have not applied the following new or amended standards in preparing these consolidated and separate financial statements. 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:

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:

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC- 15 Operating leases- Incentives and SIC -27 Evaluating the substance of Transactions involving the legal form of a lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on balance sheet accounting model for leases. A lessee recognises a right-of-use asset

Notes to the Consolidated and Separate Financial Statements

representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial statements in the period of initial application will depend on future economic conditions.

No significant impact is expected on the Group's finance leases as the Group has a few offices under operating leases.

<i>New or amended standards and effective date</i>	<i>Summary of the requirements</i>	<i>Possible impact on financial statements</i>
Amendments to IFRS 10 and IAS 28 (Sept 2014) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The IAS 28 was amended so that a. The current requirements regarding the partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations	The Group has not assessed the possible impact of the amendment on its financial statement as the IASB has deferred the effective date of the amendments indefinitely.
<i>IFRIC 23</i> <i>Uncertainty over Income Tax Treatments</i>	IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.	The Group has assessed the impact of the interpretation and determined whether uncertain tax positions are assessed separately or as a group; and assessed whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

Notes to the Consolidated and Separate Financial Statements

<i>New or amended standards and effective date</i>	<i>Summary of the requirements</i>	<i>Possible impact on financial statements</i>
<p><i>Amendments to IFRS 9 (Oct 2017)</i> <i>Prepayment Features with Negative Compensation</i></p>	<p>The amendments in Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) are:</p> <ul style="list-style-type: none"> • Paragraph 14A has been added to clarify that an entity applies IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. • Paragraph 41 has been deleted because the Board felt that it merely reiterated requirements in IFRS 9 and had created confusion about the accounting for long-term interests. The amendments are accompanied by an illustrative example. The amendments are effective for periods beginning on or after 1 January 2019. Earlier application is permitted 	<p>The entity does not have financial instruments with negative compensation. Hence, this amendment is not applicable to the entity.</p>
<p><i>Annual Improvements to IFRS Standards 2015–2017 Cycle (Dec 2017) IFRS 3, IFRS 11, IAS 12 and IAS 23 Amendments</i></p>	<p>In December 2017, the IASB published Annual Improvements to IFRS Standards 2015–2017 Cycle, containing the following amendments to IFRSs:</p> <ul style="list-style-type: none"> • IFRS 3 Business Combinations and IFRS 11 Joint Arrangements — The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. • IAS 12 Income Taxes — The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax 	<p>The Group does not consider this to have a significant impact on its consolidated financial statements</p>

Notes to the Consolidated and Separate Financial Statements

<i>New or amended standards and effective date</i>	<i>Summary of the requirements</i>	<i>Possible impact on financial statements</i>
	<p>consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.</p> <ul style="list-style-type: none"> • IAS 23 Borrowing Costs — The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. 	
<p><i>Amendments to IAS 19) (February 2018) Plan Amendment, Curtailment or Settlement</i></p>	<p>On 7 February 2018, the IASB published Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) to harmonise accounting practices and to provide more relevant information for decision-making. An entity applies the amendments to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019.</p>	<p>The standard does not have any significant impact on this financial statement.</p>
<p><i>Amendments to References to the Conceptual Framework in IFRS Standards</i></p>	<p>The Conceptual Framework for Financial Reporting (Conceptual Framework) describes the objective of and concepts for general purpose financial reporting. It is a practical tool that helps the IASB to develop requirements in IFRS® Standards based on consistent concepts. Consideration of these concepts, in turn, should result in the IASB developing IFRS Standards that require entities to provide financial information that is useful to investors, lenders and other creditors.</p>	<p>The standard does not have any significant impact on this financial statement.</p>

Notes to the Consolidated and Separate Financial Statements

<i>New or amended standards and effective date</i>	<i>Summary of the requirements</i>	<i>Possible impact on financial statements</i>
	<p>The IASB decided to revise the Conceptual Framework because some important issues were not covered and some guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:</p> <ul style="list-style-type: none"> • A new chapter on measurement; • Guidance on reporting financial performance; • Improved definitions of an asset and a liability, and guidance supporting these definitions; and • Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. <p>The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.</p>	
<p><i>IFRS 17 Insurance Contracts</i></p>	<p>IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.</p> <p>IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021</p>	<p>The standard does not have any significant impact on this financial statement.</p>

Notes to the Consolidated and Separate Financial Statements

<i>New or amended standards and effective date</i>	<i>Summary of the requirements</i>	<i>Possible impact on financial statements</i>
Amendments to IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4	<p>The amendments clarify the following:</p> <ol style="list-style-type: none"> 1. The optional temporary exemption from IFRS 9 is available to entities whose activities are predominantly connected with insurance. The temporary exemption permits such entities to continue to apply IAS 39 while they defer the application of IFRS 9 until 1 January 2021 at the latest. 2. The overlay approach is an option for entities that adopt IFRS 9 and issue insurance contracts, to adjust profit or loss for eligible financial assets; effectively resulting in IAS 39 accounting for those designated financial assets. The adjustment eliminates accounting volatility that may arise from applying IFRS 9 without the new insurance contracts standard. Under this approach, an entity is permitted to reclassify amounts between profit or loss and other comprehensive income for designated financial assets. <p>An entity must present a separate line item for the amount of the overlay adjustment in profit or loss, as well as a separate line item for the corresponding adjustment in other comprehensive income.</p> <p>The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018.</p>	The standard does not have any significant impact on this financial statement.

4 Changes in accounting policies

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

The Group has adopted the following new standards and amendments to standard, including any consequential amendments to other standards, with a date of initial application of 1 January 2018.

- IFRS 9: Financial Instruments
- IFRS 15: Revenue from contracts with customers

Notes to the Consolidated and Separate Financial Statements

- **IFRS 9: Financial Instruments**

Mixta Real Estate Plc has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Group did not early adopt IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current year. Mixta Real Estate Plc does not currently apply hedge accounting.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on Mixta Real Estate Plc's Financial Statements (Opening reserve). Other details of the specific IFRS 9 accounting policies applied in the current period are described in the accounting policies section.

Notes to the Consolidated and Separate Financial Statements

IFRS 9 Disclosure – Reconciliation (Group)

Measurement category

	(i) IAS 39 Carrying Amount 1/1/2018 N'000	(ii) Re- classifications N'000	(iii) Remeasurement N'000	(iv) Expected credit losses N'000	(v) = (i)+(ii)+(iii)+(iv) IFRS 9 Carrying amount 1/1/2018 N'000
Non-current assets					
Property, plant and equipment	11,424,838	-	-	-	11,424,838
Investment property	70,000,000	-	-	-	70,000,000
Investment in subsidiaries	-	-	-	-	-
Equity-accounted investment	2,528,881	-	-	-	2,528,881
Goodwill	-	-	-	-	-
Debtors and prepayments	4,851,207	-	-	(2,338,798)	2,512,409
Loans to related entities	6,816,261	-	-	(947,867)	5,868,394
Total non-current assets	95,621,187	-	-	(3,286,665)	92,334,522
Current assets					
Loan to related entities	154,745	-	-	-	154,745
Trading properties	30,361,980	-	-	-	30,361,980
Debtors and prepayments	5,200,768	-	-	-	5,200,768
Cash and cash equivalents	2,094,167	-	-	-	2,094,167
Total current assets	37,811,660	-	-	-	37,811,660
Total Assets	133,432,847	-	-	(3,286,665)	130,146,182
Non-current liabilities					
Borrowings	12,050,139	-	-	-	12,050,139
Deferred tax liabilities	6,940,427	-	-	-	6,940,427
Deposit for shares	247,500	-	-	-	247,500
Total non-current liabilities	19,238,066	-	-	-	19,238,066
Current liabilities					
Borrowings	22,477,684	-	-	-	22,477,684
Current income tax liability	2,007,764	-	-	-	2,007,764
Other liabilities and accruals	11,833,093	-	-	-	11,833,093
Deferred revenue-deposit from customers	5,161,790	-	-	-	5,161,790
Provisions	3,799,133	-	-	-	3,799,133
Total current liabilities	45,279,464	-	-	-	45,279,464
Total Liabilities	64,517,530	-	-	-	64,517,530
Equity					
Share capital	4,914,135	-	-	-	4,914,135
Share premium	35,565,809	-	-	-	35,565,809
Common control acquisition deficit	(2,920,407)	-	-	-	(2,920,407)
Retained earnings	24,448,810	-	-	(2,801,642)	21,647,168
	62,008,347	-	-	(2,801,642)	59,206,705
Non-controlling interest	6,906,970	-	-	(485,023)	6,421,947
Total equity	68,915,317	-	-	(3,286,665)	65,628,652
Total liabilities and equity	133,432,847	-	-	(3,286,665)	130,146,182
		Impairment charges		Gross impairment allowance	
		Stage 1	Stage 1	Stage 2	Stage 3
		N'000	N'000	N'000	N'000
Loans to related entities		(947,867)	-	-	-
Debtors and prepayments		(2,338,798)	-	-	-
		(3,286,665)	-	-	-

Notes to the Consolidated and Separate Financial Statements

IFRS 9 Disclosure – Reconciliation (Company)

Measurement category

	(i) IAS 39 Carrying Amount 1/1/2018 N'000	(ii) Re- classifications N'000	(iii) Remeasurement N'000	(iv) Expected credit losses N'000	(v) = (i)+(ii)+(iii)+(iv) IFRS 9 Carrying amount 1/1/2018 N'000	
Non-current assets						
Property, plant and equipment	92,643	-	-	-	92,643	
Investment property	-	-	-	-	-	
Investment in subsidiaries	31,608,019	-	-	-	31,608,019	
Equity-accounted investment	2,505,100	-	-	-	2,505,100	
Goodwill	-	-	-	-	-	
Debtors and prepayments	9,932,324	-	-	(860,578)	9,071,746	
Loans to related entities	10,987,227	-	-	(916,052)	10,071,175	
Total non-current assets	55,125,313	-	-	(1,776,630)	53,348,683	
Current assets						
Loan to related entities	3,398,050	-	-	-	3,398,050	
Trading properties	4,358,846	-	-	-	4,358,846	
Debtors and prepayments	6,046,854	-	-	-	6,046,854	
Cash and cash equivalents	1,960,482	-	-	-	1,960,482	
Total current assets	15,764,232	-	-	-	15,764,232	
Total Assets	70,889,545	-	-	(1,776,630)	69,112,915	
Non-current liabilities						
Borrowings	10,239,654	-	-	-	10,239,654	
Deferred tax liabilities	12,441	-	-	-	12,441	
Deposit for shares	-	-	-	-	-	
Total non-current liabilities	10,252,095	-	-	-	10,252,095	
Current liabilities						
Borrowings	4,532,038	-	-	-	4,532,038	
Current income tax liability	342,127	-	-	-	342,127	
Other liabilities and accruals	15,412,718	-	-	-	15,412,718	
Deferred revenue-deposit from customers	851,039	-	-	-	851,039	
Provisions	777,359	-	-	-	777,359	
Total current liabilities	21,915,281	-	-	-	21,915,281	
Total Liabilities	32,167,376	-	-	-	32,167,376	
Equity						
Share capital	4,914,135	-	-	-	4,914,135	
Share premium	35,565,809	-	-	-	35,565,809	
Common control acquisition deficit	(2,156,000)	-	-	-	(2,156,000)	
Retained earnings	398,225	-	-	(1,776,630)	(1,378,405)	
	38,722,169	-	-	(1,776,630)	36,945,539	
Non-controlling interest	-	-	-	-	-	
Total equity	38,722,169	-	-	(1,776,630)	36,945,539	
Total liabilities and equity	70,889,545	-	-	(1,776,630)	69,112,915	
		Impairment charges		Gross impairment allowance		
		Stage 1	Stage 1	Stage 2	Stage 3	
		N'000	N'000	N'000	N'000	
Loans to related entities		(916,052)	-	-	-	
Debtors and prepayments		(860,578)	-	-	-	
		(1,776,630)	-	-	-	

Notes to the Consolidated and Separate Financial Statements

- IFRS 15: Revenue from contracts with customers

In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5 step approach to revenue recognition.

- i. Identify a contract
- ii. Identify the performance obligation
- iii. Determine the transaction price
- iv. Allocate price to performance obligations
- v. Recognize revenue when or as entity satisfies performance obligations

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

Details of the new requirements as well as their impact on the Group's financial statements are described below.

The Group has applied IFRS 15 in accordance with the modified retrospective transitional approach using the practical expedients for completed contracts in IFRS 15:C5(a), and (b), or for modified contracts in IFRS 15:C5(c).

The Group's accounting policies for its revenue streams are disclosed in detail in the significant accounting policies section. Apart from providing more extensive disclosures for the Group's revenue transactions, the application of IFRS 15 has not significant impact on the financial position and/or financial performance of the Group.

5 Significant accounting policies

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.

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 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.

Notes to the Consolidated and Separate Financial Statements

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 recognized 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 recognized 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 recognized in profit or loss.

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

(iii) Transactions eliminated on consolidation

Intra-group transactions, balances and any unrealized 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 unrealized 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 recognized at the carrying amounts recognized 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 recognized directly in a capital reserve account in equity called common control acquisition deficit.

(vi) Non controlling interests (NCI)

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

NCI is subsequently measured at the initial recognised amount plus the share of profit and other comprehensive income attributable to the non-controlling shareholders.

Notes to the Consolidated and Separate Financial Statements

(vii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

(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 recognized 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 amortized 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 recognized directly in the equity of the joint ventures, the Group recognizes 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 recognize 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 recognizes the loss in the profit or loss.

Investments in joint venture is carried at cost in the separate financial statements.

(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 profit/(loss).

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from translation of available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss) are recognised in OCI

Notes to the Consolidated and Separate Financial Statements

(c) Interest income and expense

Interest Income is made up of interest income on loans to related entities and cash and cash equivalent while interest expense is made up of interest on borrowings. 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 capitalized 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 capitalized 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 capitalization 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 capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(e) Income Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer and excludes amounts collected on behalf of third parties.

Sale of trading properties

The Group sells developed sites and plots of land to individuals and corporate organizations after a formal (written) agreement is signed. The agreements are designed to ensure revenue is recognised at a point in time when:

- The Group has a present right to payment
- The customer has legal title to the asset.
- The Group has transferred physical possession of the asset
- The customer has the significant risk and rewards
- The customer has accepted the asset/is satisfied with the service

Rental income

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

Services fees

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

Notes to the Consolidated and Separate Financial Statements

Dividends

Income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other income

Other income represents income generated from sources other than rental income, sale of trading properties, services fees and dividend. It includes income realized from legal fees charged by the company on the sale of real estate products to third party customers. Income is recognized when the right to receive income is established.

(f) **Income tax expense**

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

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 current taxes include: Company Income Tax at 30% of taxable profit; Tertiary education tax at 2% of assessable profit; Capital Gain Tax at 10% of chargeable gains.

The Group 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.

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

Deferred tax is provided using the balance sheet 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.

Notes to the Consolidated and Separate Financial Statements

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred 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 property 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 property 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 property held for sale portfolio and concluded that none of the Group's investment property held for sale are held under 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 also determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. The Group has elected to recognize deferred tax on changes in fair value of the investment property held for sale as the Group is subject to capital gains taxes on disposal of its investment property.

(g) Financial assets and liabilities

All financial assets and liabilities – which include derivative financial instruments – have to be recognized in the statement of financial position and measured in accordance with their assigned category.

(i) Initial recognition and measurement

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

(ii) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

(iii) Classification and related measurement

Subsequent to initial measurement, financial instruments are measured either at amortized cost or fair value depending on their classification category.

Financial assets

Subsequent to initial recognition, all financial assets within the Group are measured at:

Amortized cost

Fair value through comprehensive income (FVOCI); or

Fair value through profit or loss (FVTPL)

Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular

Notes to the Consolidated and Separate Financial Statements

period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how group of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

As at 31 December 2018, the Group does not hold any debt instrument measured at fair value through other comprehensive income (FVOCI).

Debt instruments Fair value through profit or loss

Financial assets at FVTPL are:

Assets with contractual cash flows that are not SPPI; or/and assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised on profit or loss.

Notes to the Consolidated and Separate Financial Statements

Offsetting financial instruments

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

Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on the following financial instruments measured at amortized cost:

Debt investment securities;

Other receivables;

ECLs are required to be measured through a loss allowance at an amount equal to:

12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

The Group measures ECL on an individual basis, or on a collective basis for debt instruments that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Significant increase in credit risk

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Group monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

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As a back-stop when an asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then;

A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Notes to the Consolidated and Separate Financial Statements

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Write-off

Debt securities and other receivables are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;

Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

Notes to the Consolidated and Separate Financial Statements

A financial liability is classified as held for trading if:

It has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line item in the profit or loss account.

The Group does not have any financial liabilities at fair value through profit or loss at the reporting date.

(ii) Other financial liabilities

Other financial liabilities, including borrowings, is initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

(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.

Notes to the Consolidated and Separate Financial Statements

(i) 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.

(j) 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:

Leasehold land	Over the unexpired lease term
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
Leasehold Improvements	5 years

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

iv 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.

v Other requirements

Construction cost and improvements in respect of offices is carried as capital work-in-progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment. Payments in advance for items of property and equipment are included as prepayments in "other assets" and upon delivery and availability for use, are classified as additions in the appropriate category of property and equipment.

Notes to the Consolidated and Separate Financial Statements

(k) 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.

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 property under construction for which the fair value cannot be determined reliably, but for which the Group 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 recognized 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 capitalized 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 derecognized. Changes in fair values are recognized in profit or loss. Investment property are derecognized 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.

(l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, deferred tax assets and trading property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

Notes to the Consolidated and Separate Financial Statements

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.

(m) Leases

Group is the lessee

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(n) 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.

(o) Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognized, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

(p) Share capital and reserves

(i) *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 non-attributable costs are expensed.

Notes to the Consolidated and Separate Financial Statements

(ii) *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.

(iii) *Share premium*

The excess of the issue price proceeds over the nominal par value from the issue of shares are reported in share premium reserve.

(iv) *Retained earnings*

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

(v) *Common control acquisition deficit*

This represents the difference between the consideration paid and the capital of the company acquired under common control acquisitions whereby the Company and the investee entity remain under control of the ultimate parent entity both before and after the transaction.

(vi) *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.

(vii) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders 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.

(q) **Trading properties**

- (i) 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 property 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 acquired or being constructed for sale are initially recognised at cost. 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 trading property recognized in profit or loss on disposal is determined with reference to the carrying amount of such property at the date of disposal.

- (ii) **Provisions:** This relates to cost of further works which may be required or performed on real estate already delivered to the buyer. The amount recognized as a provision represents the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provision is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

Notes to the Consolidated and Separate Financial Statements

(r) Employee benefits

(i) Short-term benefits

Short-term benefits consist of salaries, accumulated leave allowances, profit share, bonuses and any non-monetary benefits.

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided.

A liability is recognized for the amount expected to be paid under short-term cash benefits such as accumulated leave and leave allowances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be measured reliably.

(ii) Post-employment benefits

The Group has a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods. For defined contribution plans, the Group makes contributions on behalf of its employees to a mandatory scheme under the provisions of the Pension Reform Act. The Group has no further obligations once the contributions have been paid.

The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or deduction in the future payment is available. For entities operating in Nigeria, the contribution by employees and the employing entities are 8% and 10% respectively of the employee's basic salary, housing, and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their jurisdictions.

(iii) Termination benefits

The Group recognizes termination benefits as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal dedicated plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

(s) Operating expense

Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Expenses are recognized on an accrual bases regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably.

Expenses are measured at historical cost except for fair value changes which represents the movement in fair value of investment property. Assets are recorded at the amount of cash or cash equivalents paid or their fair value of consideration given. Liabilities are recorded at the amount of proceeds received in exchange for the obligation. Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

(t) Related party transactions

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

Notes to the Consolidated and Separate Financial Statements

Transactions between the Group and its subsidiaries meet the definition of related party transactions. These transactions are eliminated on consolidation and not disclosed in the consolidated financial statements.

In general, transactions with related parties are accounted for in accordance with the standards applicable to such transactions.

6 Financial risk management

(a) Introduction

Mixta Real Estate Plc continues to transform its business model to align with the changing real estate development landscape, while positioning itself to best take advantage of future opportunities, as it seeks to attain a leadership role within the industry.

As the African continent continues to experience socio-political advancement, Mixta Real Estate Plc, in the financial year ended December 2015, became a part of a property development Group with footprints in some African countries. Having become part of a Group that has positioned itself as an African player, seeking to bridge the housing gap that exists within Nigeria and across a number of other African countries, Mixta Real Estate Plc seeks to act as a growth catalyst in the Nigerian housing development landscape.

As we evolve towards attaining a leadership position within the Nigerian and, as a Group, the African real estate development landscape, we recognize that a variety of business risks is introduced into our operations. Therefore, we have built our business around sound risk management practices, so that as we actively seek opportunities to create value for our clients and stakeholders, we equally take a deliberate, concerted effort to preserve value.

A culture of risk management permeates all that we do and is applied across all business functions. A disciplined approach to risk taking ensures that we seek to understand our products and markets before taking investment decisions. Therefore, business decisions go through defined approval processes, including a thorough assessment of the risk-return trade-off.

With a strong risk management culture, we are building an enduring business model. One that will serve our ambition of delivering housing and other commercial real estate needs to Nigeria, while delivering optimal value to our shareholders.

(b) Objectives of Risk Management

Risk Management practices at Mixta Nigeria centre around building a sustainable business where acceptable risk profile is maintained. Therefore, our approach is driven by the following key objectives.

Business Sustainability: This represents resiliency over time. It involves our organisation's ability to 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 ability to deliver services in the most cost-effective manner possible while 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.

Notes to the Consolidated and Separate Financial Statements

(c) Key & Emerging 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 Group's products – commercial and residential real estate - would result in higher inventory of home units; and would impact the Group's revenues and profitability.
- 3 The challenge of securing long-term borrowing that could match investment in medium to long-term projects and assets remains, as we continue to see shortage of long-term liquidity and minimal financing participation from local banks.
- 4 Difficulties in obtaining long-term funding would negatively impact corporate growth, speed of project execution, could result in increased cost of funds, and ultimately reduced profitability.
- 5 As deposit for home purchases is a key financing source, the inability or unwillingness of property buyers to meet their instalmental payment obligations for properties they have committed to purchase could significantly impact completion timelines, project cost and quality, corporate revenues, and ultimately profitability.
- 6 As a result of significant holdings in a number of strategic, long-term assets, the Group carries a liquidity gap in its books.
- 7 Adverse changes in regulatory or government policies could significantly affect the Group's businesses.
- 8 In the light of current macro-economic uncertainties, we expect that demand for luxury homes would remain subdued, thereby, impacting the Firm's high-end real estate product offering.
- 9 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.
- 10 The value of the Group's real estate asset could be impacted by factors that could drive property prices within locations where these assets exist.
- 11 Loss of talents could result in an inability to operate efficiently and to deliver the required level of service that is promised to our clients. The Group continues to adopt different strategies to attract and retain quality personnel.
- 12 Given that we are a real estate development company, there is the risk that inadequacies or failures of project contractors would adversely impact project completion timelines, project cost and project quality.
- 13 The Group is exposed to various operational risks such as failed or inadequate processes, controls, systems, and the risk that its staff, vendors or other third party business partners may deliberately seek to breach established controls or to act in ways that are inconsistent with the Group's guidelines. In the event that any of the major risks should crystallize, it could adversely impact the Group's reputation and, hence, customer loyalty.

The Group reviews its strategic business risks on a continuous basis. The key risks are monitored and presented to Management and the Board Audit & Risk Committee from time to time. This process assists business managers in understanding the possible impact of each risk event and in defining mitigating actions relevant to each. In assessing possible impact, the Group considers both quantitative and qualitative outcome of a risk event, including possible reputational damage.

(d) Risk Management Framework

The Group'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 Group's risk exposure to be proactively managed through a continuous process of identification, evaluation, monitoring and reporting.

Our governance structure defines the responsibilities for managing, monitoring and reporting risks. An independent Risk Management function, which monitors risk exposures across the Group, works closely with business managers in identifying and addressing risks in a timely manner and within acceptable corporate risk profile.

Notes to the Consolidated and Separate Financial Statements

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:

Risk Type	Risk Description	Loss Characteristics
Market & Investment Risk	The risk of loss due to unfavourable movements in the value of assets.	This could result in loss of value to the Company's property investment holdings.
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.	This could result in significant project cost overruns; thereby resulting in eroded profit margins on such projects
Liquidity Risk	The risk that the Firm will not be able to meet its financial obligations as they fall due.	This could result in significant business disruption ,delays in project completion or could hinder normal operations of the Firm
Operational Risk	The risk of loss arising from inadequate or failed internal processes, people, systems and external events.	This could result in business disruption, litigation costs and/or regulatory penalties
Compliance Risk	The risk of loss arising from violations of, or non-conformance with laws & regulations	This could result in adverse reputational impact, significant financial losses arising from regulatory penalties; and in severe cases, loss of business licence
Credit Risk	The risk of loss arising from counterparty's inability or unwillingness to fulfill contractual obligations to the Group.	This could result in impairment in the Group's credit assets and could invariably affect its short to long-run liquidity needs.
Strategic Risk	The risk of loss due to adverse or improper implementation of business decisions, or lack of responsiveness to industry changes.	This could result in a significant loss of market share.
Reputational Risk	The risk of brand damage due to the failure to meet stakeholders' expectations with respect to the Firm's performance and behaviour.	This could result in a significant loss of market share; loss of key employees and costly litigation.

6.1 Market Risk and Investment Risk

Market risk is the risk of loss from unfavourable changes in the fair values of financial instruments caused by adverse moves in market variables, such as foreign exchange rates, interest rates, equity prices, commodity prices, credit spreads and implied volatilities of the market rates.

The Group is exposed to Market and investment risk due to possible fluctuations in factors such as foreign exchange rates and interest rates, and in changes in property value.

The objective of market risk management is to ensure that exposures are kept within acceptable limits, while optimizing returns. The Group's market and investment risk management practice seeks to achieve this through identifying the appropriate balance between risk and return in its investment decisions.

Therefore, investment decisions go through different levels of authorization before execution, and only after enhanced risk assessments and due diligence exercises.

Notes to the Consolidated and Separate Financial Statements

6.1.1 Interest rate risk

Interest rate risk is the risk of loss to Net Interest Income (NII) arising from changes in market interest rates on rate sensitive assets and liabilities. The Group carries some interest rate sensitive assets and liabilities which are priced with fixed rates, but reprice at varying frequencies.

The analysis below describes reasonably possible movements in interest rates with all other variables held constant, showing likely impact of the gap between interest sensitive assets and liability:

(a) 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 categorized by the earlier of contractual repricing or maturity dates.

Group

(i) As at Dec 31, 2018

<i>In thousands of naira</i>		Interest bearing instruments					Non-interest
	Note	Carrying Amount	Up to 3 months	4 - 6 months	7 -12 months	Over 12 months	bearing instruments
Cash and cash equivalents	26	2,792,908	1,102,301	1,690,607	-	-	
Loans to related entities	23	9,326,530	-	-	1,186,878	8,139,652	-
		12,119,438	1,102,301	1,690,607	1,186,878	8,139,652	-
Borrowings	29	43,028,832	-	-	26,405,285	16,623,547	-
Gap		(30,909,394)	1,102,301	1,690,607	(25,218,407)	(8,483,895)	-
Cumulative Gap			1,102,301	2,792,908	(22,425,499)	(30,909,394)	
Interest Rate Shock							
1%		11,023	27,929	(224,255)	(309,094)		
2%		2,046	55,858	(448,510)	(618,188)		
-1%		(11,023)	(27,929)	224,255	309,094		
-2%		(22,046)	(55,858)	448,510	618,188		

(ii) As at Dec 31, 2017

<i>In thousands of naira</i>		Interest bearing instruments					Non-interest
	Note	Carrying Amount	Up to 3 months	4 - 6 months	7 -12 months	Over 12 months	bearing instruments
Cash and cash equivalents	26	2,094,167	900,353	25,898	-	-	1,167,916
Loans to related entities	23	6,971,006	4,707,535	1,913,219	195,507	154,745	
		9,065,173	5,607,888	1,939,117	195,507	154,745	1,167,916
Borrowings	29	34,527,823	2,018,687	8,779,850	13,042,008	10,687,278	-
Gap		(25,462,650)	3,589,201	(6,840,733)	(12,846,501)	(10,532,533)	1,167,916
Cumulative Gap			3,589,201	(3,251,532)	(16,098,033)	(26,630,566)	
Interest Rate Shock							
1%		35,892	(32,515)	(160,980)	(266,306)		
2%		71,784	(65,031)	(321,961)	(532,611)		
-1%		(35,892)	32,515	160,980	266,306		
-2%		(71,784)	65,031	321,961	532,611		

Notes to the Consolidated and Separate Financial Statements

Company

(iii) As at Dec 31, 2018

In thousands of naira

	Note	Carrying Amount	Interest bearing instruments				Non-interest bearing instruments
			Up to 3 months	4 - 6 months	7 -12 months	Over 12 months	
Cash and cash equivalents	26	2,449,820	-	818,118	1,631,702	-	-
Loans to related entities	23	23,387,157	-	-	15,130,818	8,256,339	-
		<u>25,836,977</u>	<u>-</u>	<u>818,118</u>	<u>16,762,520</u>	<u>8,256,339</u>	<u>-</u>
Borrowings	29	24,690,738	-	-	11,381,922	13,308,816	-
Gap		<u>1,146,239</u>	<u>-</u>	<u>818,118</u>	<u>5,380,598</u>	<u>(5,052,477)</u>	<u>-</u>
Cumulative Gap		<u>-</u>	<u>-</u>	<u>818,118</u>	<u>6,198,716</u>	<u>1,146,239</u>	<u>-</u>

Interest Rate Shock

1%	-	8,181	61,987	11,462	
2%	-	16,362	123,974	22,925	
-1%	-	(8,181)	(61,987)	(11,462)	
-2%	-	(16,362)	(123,974)	(22,925)	

(iv) As at Dec 31, 2017

In thousands of naira

	Note	Carrying Amount	Interest bearing instruments				Non-interest bearing instruments
			Up to 3 months	4 - 6 months	7 -12 months	Over 12 months	
Cash and cash equivalents	26	1,960,482	900,353	-	-	-	1,060,129
Loans to related entities	23	14,385,277	9,051,305	1,935,922		3,398,050	-
		<u>16,345,759</u>	<u>9,951,658</u>	<u>1,935,922</u>	<u>-</u>	<u>3,398,050</u>	<u>1,060,129</u>
Borrowings	29	14,771,692	-	7,171,429	3,068,225	4,532,038	-
Gap		<u>1,574,067</u>	<u>9,951,658</u>	<u>(5,235,507)</u>	<u>(3,068,225)</u>	<u>(1,133,988)</u>	<u>1,060,129</u>
Cumulative Gap		<u>-</u>	<u>9,951,658</u>	<u>4,716,151</u>	<u>1,647,926</u>	<u>513,938</u>	<u>-</u>

Interest Rate Shock

1%	99,517	47,162	16,479	5,139
2%	199,033	94,323	32,959	10,279
-1%	(99,517)	(47,162)	(16,479)	(5,139)
-2%	(199,033)	(94,323)	(32,959)	(10,279)

6.1.2 Foreign exchange risk:

Foreign exchange risk is the risk of loss due to adverse movements in the exchange rates applicable to foreign currency denominated assets and liabilities. These are assets and liabilities which are denominated in a currency other than the Group's functional currency, Naira.

An adverse movement in applicable exchange rate would result in losses in foreign currency denominated assets, and increased exposures in unmatched foreign currency denominated liabilities. In addition, a foreign exchange liquidity mismatch could arise as a result of a mismatch in the maturity profile or liquidation timing of obligations or assets denominated in a foreign currency.

Notes to the Consolidated and Separate Financial Statements

The Group's exposure to foreign exchange risk arises from its debt obligations denominated in US Dollars (Note 29(e) (vi & xii)). Foreign exchange risk exposure also arises from foreign currency obligations due to project contractors, consultants and other vendors from time to time.

- Foreign Currency Concentration Risk

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

Group

As at Dec 31, 2018

<i>In thousands of naira</i>	Naira	USD	GBP	Euro	Total
Cash and cash equivalents	1,141,465	1,154,943	4,500	492,000	2,792,908
Loans to related entities	9,326,530	-	-	-	9,326,530
Debtors and receivables (excluding prepayments)	12,772,320	-	-	-	12,772,320
	<u>23,240,315</u>	<u>1,154,943</u>	<u>4,500</u>	<u>492,000</u>	<u>24,891,758</u>
<i>In thousands of naira</i>	Naira	USD	GBP	Euro	Total
Deposit for shares	253,746	-	-	-	253,746
Borrowings	41,143,810	1,885,022	-	-	43,028,832
Other liabilities	15,310,991	-	-	-	15,310,991
	<u>56,708,547</u>	<u>1,885,022</u>	<u>-</u>	<u>-</u>	<u>58,593,569</u>
Net open position	<u>(33,468,232)</u>	<u>(730,079)</u>	<u>4,500</u>	<u>492,000</u>	<u>(33,701,811)</u>
Sensitivity analysis: Foreign Exchange					
10%	-	(73,008)	450	49,200	
20%	-	(146,016)	900	-	
-10%	-	73,008	(450)	-	
-20%	-	146,016	(900)	-	

As at Dec 31, 2017

<i>In thousands of naira</i>	Naira	USD	GBP	Euro	Total
Cash and cash equivalents	1,132,329	961,297	41	500	2,094,167
Loans to related entities	6,971,006	-	-	-	6,971,006
Debtors and receivables (excluding prepayments)	10,146,139	-	-	-	10,146,139
	<u>18,249,474</u>	<u>961,297</u>	<u>41</u>	<u>500</u>	<u>19,211,312</u>
<i>In thousands of naira</i>	Naira	USD	GBP	Euro	Total
Deposit for shares	247,500	-	-	-	247,500
Borrowings	32,709,214	1,818,609	-	-	34,527,823
Other liabilities	11,304,809	-	-	-	11,304,809
	<u>44,261,523</u>	<u>1,818,609</u>	<u>-</u>	<u>-</u>	<u>46,080,132</u>
Net open position	<u>(26,012,049)</u>	<u>(857,312)</u>	<u>41</u>	<u>500</u>	<u>(26,868,820)</u>
Sensitivity analysis: Foreign Exchange					
10%	-	(85,731)	4	50	
20%	-	(171,462)	8	-	
-10%	-	85,731	(4)	-	
-20%	-	171,462	(8)	-	

Notes to the Consolidated and Separate Financial Statements

Company
As at Dec 31, 2018

<i>In thousands of naira</i>	Naira	USD	GBP	Euro	Total
Cash and cash equivalents	1,953,320		4,500	492,000	2,449,820
Loans to related entities	23,839,570	-		-	23,839,570
Debtors and receivables (excluding prepayments)	17,682,158	-			17,682,158
	<u>43,475,048</u>	<u>-</u>	<u>4,500</u>	<u>492,000</u>	<u>43,971,548</u>
Deposit for shares	-	-	-	-	-
Borrowings	24,690,738	-	-	-	24,690,738
Other liabilities	17,536,842	-			17,536,842
	<u>42,227,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,227,580</u>
Net open position	<u>1,247,468</u>	<u>-</u>	<u>4,500</u>	<u>492,000</u>	<u>1,743,968</u>

Sensitivity analysis: Foreign Exchange

10%	-	-	450	49,200
20%	-	-	900	-
-10%	-	-	(450)	-
-20%	-	-	(900)	-

As at Dec 31, 2017

<i>In thousands of naira</i>	Naira	USD	GBP	Euro	Total
Cash and cash equivalents	999,202	961,241	39	500	1,960,482
Loans to related entities	14,385,277	-		-	14,385,277
Debtors and receivables (excluding prepayments)	15,940,387	-			15,940,387
	<u>31,324,866</u>	<u>961,241</u>	<u>39</u>	<u>500</u>	<u>32,286,146</u>
Deposit for shares	-	-	-	-	-
Borrowings	14,742,526	29,166	-	-	14,771,692
Other liabilities	15,041,252	-			15,041,252
	<u>29,783,778</u>	<u>29,166</u>	<u>-</u>	<u>-</u>	<u>29,812,944</u>
Net open position	<u>1,541,088</u>	<u>932,075</u>	<u>39</u>	<u>500</u>	<u>2,473,202</u>

Sensitivity analysis: Foreign Exchange

10%	-	93,208	4	50
20%	-	186,415	8	-
-10%	-	(93,208)	(4)	-
-20%	-	(186,415)	(8)	-

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 in transactions involving cash and cash equivalents, deposits and placement with banks and other financial institutions as well as loans to related entities and receivables.

Notes to the Consolidated and Separate Financial Statements

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's Counterparty policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Group's maximum exposure to credit risk is provided below

<i>In thousands of Naira</i>	Cash and cash equivalents		Loans to related entities		Other receivables (excluding Prepayment)	
	Dec 2018	Dec 2017	Dec 2018	Dec 2017	Dec 2018	Dec 2017
Carrying amount	<u>2,792,908</u>	<u>2,094,167</u>	<u>9,326,530</u>	<u>6,971,006</u>	<u>12,772,320</u>	<u>10,146,139</u>
Assets at amortised cost						
Neither past due nor impaired	2,792,908	2,094,167	9,326,530	6,971,006	12,772,320	10,146,139
Impaired	-	-	490,865	760	3,257,247	392,703
Gross amount	<u>2,792,908</u>	<u>2,094,167</u>	<u>9,817,395</u>	<u>6,971,766</u>	<u>16,029,567</u>	<u>10,538,842</u>
Allowance for impairment (individual)	-	-	(490,865)	(760)	(3,257,247)	(392,703)
Carrying amount	<u>2,792,908</u>	<u>2,094,167</u>	<u>9,326,530</u>	<u>6,971,006</u>	<u>12,772,320</u>	<u>10,146,139</u>

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 2018	Dec 2017	Dec 2018	Dec 2017	Dec 2018	Dec 2017
Carrying amount	<u>2,449,820</u>	<u>1,960,482</u>	<u>23,387,157</u>	<u>14,385,277</u>	<u>17,682,158</u>	<u>15,940,387</u>
Assets at amortised cost						
Neither past due nor impaired	2,449,820	1,960,482	23,387,157	14,385,277	17,682,158	15,940,387
Impaired	-	-	-	-	(1,582,261)	193,356
Gross amount	<u>2,449,820</u>	<u>1,960,482</u>	<u>23,387,157</u>	<u>14,385,277</u>	<u>16,099,897</u>	<u>16,133,743</u>
Allowance for impairment (individual)	-	-	-	-	1,582,261	(193,356)
Carrying amount	<u>2,449,820</u>	<u>1,960,482</u>	<u>23,387,157</u>	<u>14,385,277</u>	<u>17,682,158</u>	<u>15,940,387</u>

Management believes that the neither past due nor impaired amounts are still collectible in full based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

6.2.1 Credit Concentration

The table below breaks down the Group's main credit exposure at their carrying amounts, as categorized by the geographical region as at 31 December 2017 and 31 December 2016. For this table the Group has allocated exposure to regions based on the region of the of domicile of the counterparties.

Notes to the Consolidated and Separate Financial Statements

Group	Other receivables (excluding Prepayment)					
	Cash and cash equivalents		Loans to related entities		Other receivables (excluding Prepayment)	
	Dec 2018	Dec 2017	Dec 2018	Dec 2017	Dec 2018	Dec 2017
<i>In thousands of Naira</i>						
In Nigeria						
South-west	2,792,908	2,094,167	1,641,471	1,098,176	13,668,078	10,216,026
South-south	-	-	4,786,490	4,479,061	8,280	106,601
Rest of West Africa	-	-	-	-	22,911	22,911
Europe	-	-	3,389,434	1,393,769	93,955	568,847
Gross amount	2,792,908	2,094,167	9,817,395	6,971,006	13,793,224	10,914,385
Allowance for specific impairment	-	-	(490,865)	(760)	(3,257,247)	(392,703)
Carrying amount	<u>2,792,908</u>	<u>2,094,167</u>	<u>9,326,530</u>	<u>6,970,246</u>	<u>10,535,977</u>	<u>10,521,682</u>
Company						
<i>In thousands of Naira</i>						
In Nigeria						
South-west	2,449,820	1,960,482	15,663,646	8,512,447	17,557,012	16,889,375
South-south	-	-	4,786,490	4,479,061	8,280	106,601
Rest of West Africa	-	-	-	-	22,911	22,911
Europe	-	-	3,389,434	1,393,769.00	93,955	568,847
Gross amount	2,449,820	1,960,482	23,839,570	14,385,277	17,682,158	17,587,734
Allowance for specific impairment	-	-	-	-	(1,582,261)	(193,356)
Carrying amount	<u>2,449,820</u>	<u>1,960,482</u>	<u>23,839,570</u>	<u>14,385,277</u>	<u>16,099,897</u>	<u>17,394,378</u>

6.3 Liquidity Risk Management

Liquidity Risk is the risk that the Group will be unable to efficiently meet both expected and unexpected current and future cash flow and collateral obligations as they fall due.

Prudent liquidity risk management includes maintaining a stock of high quality liquid assets, while at the same time securing long-term funding to ensure the availability of adequate funds to meet the Group's obligations as they fall due.

Liquidity Risk Profile

The key measure used in monitoring liquidity risk is the Maturity Gap Ratio, which is calculated as the ratio of maturity gap to maturing liabilities, across all currencies of exposure. The maturity gap is the difference between maturing assets and maturing liabilities within each maturity band.

The Maturity Gap Ratio displays the extent of mismatch between maturing assets and maturing liabilities. The company reviews its Maturity Gap Ratio on a monthly basis, with closer attention to the 30-day gap.

In assigning maturing liabilities to each maturity band, the Group allocates a significant portion of its maturing liabilities to the earliest possible period in which such liabilities could be called. This is a more conservative approach to liquidity management. However, the actual experience is such that these liabilities have longer effective maturity, in some instances, greater than 12 months, such that should the maturity gap below be assessed using these effective maturity profiles, positive gaps would be observed in the short term, up to 12 months. Therefore, in a normal business condition, and under a mild stress scenario, where market liquidity tightens and it is more difficult to raise short to medium term funds, the firm remains well able to meet its obligations as and when due.

Notes to the Consolidated and Separate Financial Statements

The Group continues to adopt a number of strategies in managing short-term liquidity position, while also implementing activities aimed at improving long-term balance sheet structure.

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

Group 31 December 2018

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow				
			Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Deposit for shares	253,746	253,746	-	253,746	-	-
Borrowings	43,028,832	43,028,832	-	11,228,431	15,176,854	16,623,547
Other liabilities and accruals	15,310,991	15,310,991	2,140,743	5,868,828	7,301,420	-
Total Financial Liabilities	58,593,569	58,593,569	2,140,743	17,351,005	22,478,274	16,623,547

Assets held for managing liquidity risk

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow				
			Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loan to related entities	9,326,530	9,326,530	-	-	1,186,878	8,139,652
Debtors	10,535,977	12,772,320	702,565	6,782,442	5,287,313	-
Cash and cash equivalent	2,792,908	2,792,908	2,792,908	-	-	-
Total assets held for managing liquidity risk	22,655,415	24,891,758	3,495,473	6,782,442	6,474,191	8,139,652
Net liquidity (Gap)/Surplus	(35,938,154)	(33,701,811)	1,354,730	(10,568,563)	(16,004,083)	(8,483,895)
Cumulative Liquidity (Gap)/Surplus			1,354,730	(9,213,833)	(25,217,916)	(33,701,811)

31 December 2017

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow				
			Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
<i>In thousands of naira</i>		Gross				
Deposit for shares	247,500	247,500	-	247,500	-	-
Borrowing	34,527,823	34,527,823	2,018,687	8,779,850	13,042,008	10,687,278
Other liabilities and accruals	11,680,352	11,680,352	-	-	3,884,857	7,795,495
Total Financial Liabilities	46,455,675	46,455,675	2,018,687	9,027,350	16,926,865	18,482,773

Notes to the Consolidated and Separate Financial Statements

Assets held for managing liquidity risk

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loan to related entities	6,970,246	6,971,006	4,707,535	1,913,219	195,507	154,745
Debtors	10,521,682	9,590,527	1,628	-	7,212,169	2,376,730
Cash and cash equivalent	2,094,167	2,094,167	2,094,167	-	-	-
Total assets held for managing liquidity risk	19,586,095	18,655,700	6,803,330	1,913,219	7,407,676	2,531,475
Net liquidity (Gap)/Surplus	(26,869,580)	(27,799,975)	4,784,643	(7,114,131)	(9,519,189)	(15,951,298)
Cumulative Liquidity (Gap)/Surplus			4,784,643	(2,329,488)	(11,848,677)	(27,799,975)

Company 31 December 2018

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Deposit for shares	-	-	-	-	-	-
Borrowings	24,690,738	24,690,738	-	11,228,431	153,491	13,308,816
Other liabilities and accruals	17,536,842	17,536,842	855,719	2,083,356	14,597,767	-
Total Financial Liabilities	42,227,580	42,227,580	855,719	13,311,787	14,751,258	13,308,816

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loans and receivables	23,387,157	23,387,157	-	-	15,130,818	8,256,339
Debtors and receivables	17,682,158	17,682,158	699,675	1,083,583	15,898,900	-
Cash and cash equivalents	2,449,820	2,449,820	2,449,820	-	-	-
Total assets held for managing liquidity risk	43,519,135	43,519,135	3,149,495	1,083,583	31,029,718	8,256,339
Net liquidity (Gap)/Surplus	1,291,555	85,746,715	4,005,214	14,395,370	45,780,976	21,565,155
Cumulative Liquidity (Gap)/Surplus			4,005,214	18,400,584	64,181,560	85,746,715

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31 December 2017

Financial Liabilities

<i>In thousands of naira</i>	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Deposit for shares	-	-				-
Borrowings	14,771,692	15,129,932	7,264,997	-	3,014,921	4,850,014
Other liabilities and accruals	15,041,252	15,612,700	-	-	9,232,459	6,380,241
Total Financial Liabilities	29,812,944	30,742,632	7,264,997	-	12,247,380	11,230,255
<i>In thousands of naira</i>						
	Carrying Amount	Gross Nominal (outflow) /inflow	Up to 3 months	4 - 6 months	7 - 12 months	1 - 5 years
Loans and receivables	14,385,277	14,385,277	9,051,305	1,935,922	-	3,398,050
Debtors and receivables	15,940,387	16,022,820	-	-	10,897,982	5,124,838
Cash and cash equivalents	1,960,482	1,960,482	1,960,482	-	-	-
Total assets held for managing liquidity risk	32,286,146	32,368,579	11,011,787	1,935,922	10,897,982	8,522,888
Net liquidity (Gap)/Surplus	2,473,202	63,111,211	18,276,784	1,935,922	23,145,362	19,753,143
Cumulative Liquidity (Gap)/Surplus			18,276,784	20,212,706	43,358,068	63,111,211

6.4 Operational risks

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.

Mixta Real Estate 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.

Operational risk loss events are escalated and managed using a four level escalation matrix depending on the amount of loss that may occur.

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

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 Group.

Notes to the Consolidated and Separate Financial Statements

An issue is an observed gap, which has not necessarily resulted in a risk event, but has the potential to. Possible issues could include process flaws, control deficiencies, system deficiencies, observed misconducts of vendors and/or employees, lack of knowledge of relevant policies and procedures by staff, amongst others. Issue Management, therefore, is a proactive process of identifying, assessing, managing and monitoring issues that have a potential to result in risk events within the Group. The objective is to resolve these issues before they result in actual losses. The Risk Management team identifies and assesses issues; while staff members are trained on an on-going basis on the ability to identify risk issues and proffer possible solutions to mitigate or eliminate any observed issue. Risk issues are monitored until they are addressed and closed out.

Our 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 Group.

Overlaying these forward looking, as well as event specific approach in managing operational risk is an active action management approach aimed at preventing occurrence, reducing possibility of occurrence, as well as mitigating the impact of operational risk events. Actions are assigned to risk owners or to delegated officers, known as Action Owners, who have sufficient knowledge and the authority to perform such remedial actions, within specified timelines. Action completion status is constantly monitored by the Risk Management Unit and reported to Unit Heads.

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.

The ultimate aim of the operational risk management activities is to improve operational efficiency as well as the quality of service delivery to clients through:

- Improved processes and operational guidelines
- Minimising occurrence of avoidable risk events
- Creating Group-wide risk awareness that guides behaviours and creates a careful approach to transaction handling and execution.

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; poor corporate governance & leadership; inadequate Corporate Social Responsibility; or a lack of a strong workplace culture.

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

6.6 Capital Management

Our capital management objective is to maintain a strong capital base that is backed with high quality assets with stable valuations in a manner that sustains future development of business activities and creates sustainable value to our Shareholders.

Notes to the Consolidated and Separate Financial Statements

In doing this, we focus on optimising the use of available capital, and in ensuring proper capital allocation amongst the different businesses, according to the Group's business and investment strategy, but in consideration of the level of risk, and return expectation from each business area. Our focus is to safeguard Shareholders' funds and to ensure that it is not jeopardised through unguarded risk taking.

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 31 December 2016 is shown below:

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Borrowings (current and non-current)	43,028,832	34,527,823	24,690,738	14,771,692
Total Equity	66,774,263	62,827,069	35,937,065	38,796,088
Gearing Ratio	64.44%	54.96%	68.71%	38.08%

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.

Group

31 December 2018

<i>In thousands of naira</i>	Note	Loans and receivables	Other financial liabilities	Total carrying amount
Cash and cash equivalents	26	2,792,908	-	2,792,908
Loans to related entities	23	9,326,530	-	9,326,530
Debtors and receivables (excluding prepayments)	25	12,772,320	-	12,772,320
		<u>24,891,758</u>	<u>-</u>	<u>24,891,758</u>
Deposit for shares	28	-	253,746	253,746
Borrowings	29	-	43,028,832	43,028,832
Other liabilities	31	-	15,310,991	15,310,991
		<u>-</u>	<u>58,593,569</u>	<u>58,593,569</u>

31 December 2017

<i>In thousands of naira</i>	Note	Loans and receivables	Other financial liabilities	Total carrying amount
Cash and cash equivalents	26	2,094,167	-	2,094,167
Loans to related entities	23	6,971,006	-	6,971,006
Debtors and receivables (excluding prepayments)	25	10,146,139	-	10,146,139
		<u>19,211,312</u>	<u>-</u>	<u>19,211,312</u>
Deposit for shares	28	-	247,500	247,500
Borrowings	29	-	34,527,823	34,527,823
Other liabilities	31	-	11,304,809	11,304,809
		<u>-</u>	<u>46,080,132</u>	<u>46,080,132</u>

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Company

31 December 2018

<i>In thousands of naira</i>	Note	Loans and receivables	Other financial liabilities	Total carrying amount
Cash and cash equivalents	26	2,449,820	-	2,449,820
Loans to related entities	23	23,387,157	-	23,387,157
Debtors and receivables (excluding prepayments)	25	17,682,158	-	17,682,158
		<u>43,519,135</u>	<u>-</u>	<u>43,519,135</u>
Deposit for shares	28	-	-	-
Borrowings	29	-	24,690,738	24,690,738
Other liabilities	31	-	17,536,842	17,536,842
		<u>-</u>	<u>42,227,580</u>	<u>42,227,580</u>

31 December 2017

<i>In thousands of naira</i>	Note	Loans and receivables	Other financial liabilities	Total carrying amount
Cash and cash equivalents	26	1,960,482	-	1,960,482
Loans to related entities	23	14,385,277	-	14,385,277
Debtors and receivables (excluding prepayments)	25	15,940,387	-	15,940,387
		<u>32,286,146</u>	<u>-</u>	<u>32,286,146</u>
Deposit for shares	28	-	-	-
Borrowings	29	-	14,771,692	14,771,692
Other liabilities	31	-	15,041,252	15,041,252
		<u>-</u>	<u>29,812,944</u>	<u>29,812,944</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. IAS 28 states that 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. Mixta Real Estate 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 Mixta Real Estate Plc on the board of

Notes to the Consolidated and Separate Financial Statements

Lakowe, management has concluded that the Group does not have significant influence over Lakowe and the entity is not an associate of Mixta Real Estate Plc. As a result, it is measured at cost.

(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) Considerations on joint arrangement

The Group has a 51% equity interest in Garden City Golf Estate Development Limited ("Garden City"). 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).

(iv) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

On the sale of trading properties, revenue is recognised when Mixta Real Estate Plc retains only an insignificant risk of ownership and it meets significant performance obligations due to the customer.

The Group recognises revenue on customers who have made deposits equal to or more than 50% of the value of the property or when it transfers to the buyer, control and the significant risks and rewards of ownership of the property. It however, retains the legal title to the property solely to protect the collectibility of the balance outstanding.

In addition, when Mixta Real Estate Plc has met significant performance obligations, it may be required to perform further work on real estate already delivered to the buyer. In such cases, it recognises a liability and an expense in accordance with its revenue policy.

(b) 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:

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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 financial instruments were not analyzed by the level in the fair value hierarchy into which each fair value measurement is categorised because the carry amounts of these instruments is a reasonable approximation of fair value.

(ii) *Investment property*

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

The Group's investment property 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 property valued. For all investment property, 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 20(d).

(iii) *Estimation of net-realizable 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

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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 Revenue-sales of trading properties

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Sales of trading properties	<u>7,012,933</u>	<u>6,079,834</u>	<u>898,069</u>	<u>2,922,943</u>

10 Cost of sales- trading properties

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Carrying value of Land sold (see note (24(b)))	6,940,987	4,042,042	760,601	1,601,884
Provision for future Cost	<u>(683,145)</u>	<u>1,493,682</u>	<u>(366,548)</u>	<u>610,443</u>
	<u>6,257,842</u>	<u>5,535,724</u>	<u>394,053</u>	<u>2,212,327</u>

11 Fair value gain on investment property

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Gain on fair valuation of investment property	<u>7,891,350</u>	<u>12,387,835</u>	<u>-</u>	<u>-</u>

The total gain for the year which has been included in profit or loss is attributable to the increase in the fair value of investment property held at the end of the reporting period (see note 20(b)).

12 Interest income

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Loans to related entities (see note (a) below)	998,447	535,647	3,137,443	1,226,213
Cash and cash equivalents	<u>86,199</u>	<u>46,655</u>	<u>70,132</u>	<u>42,702</u>
Total income	<u>1,084,646</u>	<u>582,302</u>	<u>3,207,575</u>	<u>1,268,915</u>

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

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Summerville Golf Club Limited	-	-	1,928,116	698,046
Oceanwinds Hospitality*	45,313	4,100	45,313	4,100
Adiva Properties limited	-	-	19,969	37,796
Crosstown Malls Properties Limited	-	-	67,252	-
Oakland Properties Limited	-	-	152,975	-
ARM Investment Managers Limited*	29,316	28,798	-	-
Beechwood Properties Development Company Limited*	-	481	-	-
Lakowe Lakes Golf Club Limited*	85,004	28,292	85,004	12,295
Mixta Africa S.A*	455,368	66,547	455,368	166,546
Mixta Africa Corporate Services Limited *	71,252	-	71,252	-
Mixta Affordable Housing Limited *	4,766	-	4,766	-
Garden City Golf Estate Development Limited*	307,428	307,429	307,428	307,430
	<u>998,447</u>	<u>535,647</u>	<u>3,137,443</u>	<u>1,226,213</u>

* represents entities that are not controlled by the Group

13 Other income

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Management fee (see (a) below)	45,450	5,450	306,047	306,047
Development fee (see (b) below)	-	-	106,920	106,920
Income from other management services (see (c) below)	65,758	222,346	744,652	454,402
Rental income (see (d) below)	5,775	35,937	-	35,937
Exchange (loss)/gain	766	(62,481)	1,501	(60,307)
Realised (loss)/gain	16,116	(8,157)	2,550	(8,157)
Total income	<u>133,865</u>	<u>233,095</u>	<u>1,161,670</u>	<u>834,842</u>

a Management fee

This represents fees earned with respect to the provision of overall project supervision for management of real estate construction projects ("The Village" and "Enclave") being undertaken by Summerville Golf Club Limited ("Summerville") as well as the "Garden City Golf Estate" project being undertaken by Garden City Golf Estate Development Limited ("Garden City").

A flat fee is charged monthly for the provision of overall project supervision for management of real estate construction projects ("The Village" and "Enclave") being undertaken by Summerville Golf Club Limited ("Summerville") while a fee of 1% of the overall project cost is charged on project being undertaken by Garden City Golf Estate Development Limited ("Garden City").

b Development fee

This represents fees earned with respect to the provision of overall project supervision for the development of real estate construction projects ("The Village" and "Enclave") being undertaken by Summerville. A flat fee is charged monthly for the provision of overall project supervision for management of real estate construction projects ("The

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Village" and "Enclave") being undertaken by Summerville Golf Club Limited ("Summerville"). Development fee is eliminated on consolidation.

c Income from other management services

This represents income realised from admin tasks carried out on behalf of other entities, including charges for employees time and income realised from legal fees charged by the Company on the sale of real estate products to third party customers. The Company engages the services of the Legal Unit of ARM Investment Limited to provide necessary legal services with respect to these sales. The portion of the overall legal fees not used for the execution of title deed is recognized as income while the remaining is used to fund title documentation of such properties sold.

d Rental income

This represents income earned with respect to sub- lease of office space. This income however does not form part of the Group's revenue in its ordinary course of business.

14 Net impairment loss /(reversal) on assets

Allowance for losses comprise:

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Equity-accounted investment				
Impairment charge on equity accounted investments (see note 22)	1,223,161		1,223,161	-
Loans from related parties				
Impairment charge/(credit) on loans to related parties (see note 23 (c))	(460,056)	-	(463,639)	-
	(460,056)	-	(463,639)	-
Debtors and Prepayments				
Specific impairment charge for doubtful receivables (see note 25(d))	518,787	(67,435)	528,327	-
Allowance for unsubstantiated bank balance	-	-	-	-
Write down of inventory	-	2,333,722	-	-
	518,787	2,266,287	528,327	-
Total	<u>1,281,892</u>	<u>2,266,287</u>	<u>1,287,849</u>	<u>-</u>

15 Personnel expenses

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Wages and salaries	383,248	263,564	346,320	263,564
Contributions to defined contribution plans	29,765	22,693	29,765	22,693
Other staff costs	100,637	99,852	100,637	99,852
	<u>513,650</u>	<u>386,109</u>	<u>476,722</u>	<u>386,109</u>

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- ii The number of employees of the Company other than directors, who received emoluments in the following ranges (excluding pension contributions) were:

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
Below N2,000,000	7	15	7	15
N2,000,001 - N4,000,000	31	20	31	20
N4,000,001 - N6,000,000	7	7	7	7
N6,000,001 - N8,000,000	7	5	7	5
N8,000,001 - N10,000,000	6	3	6	3
Above N10,000,000	7	6	7	6
	<u>65</u>	<u>56</u>	<u>65</u>	<u>56</u>

- iii The average number of persons employed by the Group/Company during the year was as follows:

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
Management staff	6	5	6	5
Senior staff	10	5	10	5
Non-management staff	49	46	49	46
	<u>65</u>	<u>56</u>	<u>65</u>	<u>56</u>

- (b) Directors
Directors' remuneration was paid as follows:

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
Short-term benefits				
- Executive compensation	16,418	9,218	16,418	9,218
- Other allowances	79,542	24,958	79,542	24,958
Sitting allowances	4,320	4,960	4,320	4,960
Other fees and allowances	4,500	5,000	4,500	5,000
	<u>104,780</u>	<u>44,136</u>	<u>104,780</u>	<u>44,136</u>

- i Directors' remuneration shown above (excluding pension contributions and certain benefits) includes:

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
Chairman	2,000	2,000	2,000	2,000
Highest paid director	<u>16,418</u>	<u>-</u>	<u>16,418</u>	<u>-</u>

- ii The emoluments of all other executive directors were within the following ranges as follows:

	Group		Company	
	2018 Number	2017 Number	2018 Number	2017 Number
N100,000 - N600,000	-	-	-	-
N600,001 - N1,100,000	-	-	-	-
N1,100,001 - N1,500,000	-	-	-	-
N1,500,001 - N2,000,000	2	1	2	1

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16 Operating expenses:

(a) Operating expenses comprise

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Management fee expense	104,430	86,752	104,430	86,752
Audit fees	36,380	23,053	15,750	14,000
Professional fees	7,436	82,011	24,090	41,170
Travel and accommodation costs	34,342	11,332	17,546	11,272
Advertising costs	96,966	29,151	50,135	26,799
Subscriptions	2,438	766	2,438	766
Insurance	25,124	97,507	24,975	96,507
Office maintenance	40,065	18,566	32,141	18,566
Rent	96,825	15,476	96,507	6,395
Computer and telecommunication expenses	30,246	46,967	29,490	46,967
Directors Expenses	10,560	7,886	10,560	7,886
AGM Expense	5,713	7,006	5,713	7,006
Business promotions and gifts	3,582	8,482	3,582	4,579
Utility	13,778	18,403	13,738	17,501
Transportation expenses	33,571	22,570	33,571	22,570
Security expenses	102,826	-	55,001	-
Administrative expenses	58,387	292,539	43,564	98,784
Fines & Penalties	20	-	20	-
Donations	30,222	-	30,222	-
General expense	84,539	2,322	24,208	1,132
Other tax expense	444,979	-	3,076	-
Loss on sale of subsidiary	-	-	7	-
Total operating expenses	<u>1,330,974</u>	<u>770,789</u>	<u>620,757</u>	<u>508,659</u>

(b) Management fee expenses represent expenses incurred for administrative support services provided by Mixta Africa S.A. The Company's share was based on the Management Service Agreement ("MSA") dated 31 December 2016. The services detailed in the Management Service Agreement includes:

(i) Development and monitoring of specific real estate projects

(ii) Administrative, financial, legal, tax and accounting services

"This covers human resource functions particularly in the area of staff training, legal support services, internal audit, financial and accounting services.

It also covers the provision of regular economic and market research required for the Company for its day-to-day operations particularly investment activities and general advisory services.

(c) Operating lease expense represents rent expense incurred by the Company. The Company entered into a 5 year lease agreement with ARM Life Plc for use of the office premises located at 8 Kasumu Ekemode Street, off Saka Tinubu Street Victoria Island Lagos. The lease commenced on the 1st of June 2015 and is to expire on 30th May 2020.

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As at 31 december, the future minimum lease payments under non-cancellable leases were payable as follows

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Less than one year	91,911	91,911	91,911	91,911
Between one and five years	122,548	214,459	122,548	214,459
	<u>214,459</u>	<u>306,370</u>	<u>214,459</u>	<u>306,370</u>

17 Finance costs

Finance costs comprise:

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Borrowings (See note 29(d))	4,065,060	1,976,032	3,102,705	1,571,806
Amortization of issue costs on bonds and commercial papers	343,185	204,452	343,185	204,452
Bank charges	7,062	5,803	5,178	4,364
Others	9,739	-	9,739	-
Total interest expense	<u>4,425,046</u>	<u>2,186,287</u>	<u>3,460,807</u>	<u>1,780,622</u>

The following are the sources of interest on borrowings:

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
ARM Trustees Limited *	1,730	1,474	1,730	1,474
Townsville Properties Limited	77,889	70,022	34,155	33,523
Beechwood Property Development Company Limited*	74,575	70,434	-	-
Fara Park Limited	2,305	-	-	-
Access Bank Plc	431,506	-	64,086	-
Asset & Resource Management Company Limited *	294,899	-	-	-
Garden City Golf Estate Development Limited *	89,780	-	64,707	-
FBN Merchant Bank Limited*	-	5,870	-	5,870
MODD Management Company Limited*	20,780	19,108	20,780	19,108
ARM Hospitality & Retail Fund*	1,394	9,757	1,394	8,606
ARM Investment Managers Limited*	494,792	719,036	494,792	519,796
Summerville Notes *	129,317	-	-	-
Watford Properties Limited	9,143	-	-	-
Corporate Bond`923,811	782,849	-	923,811	754,514
Commercial Paper	1,502,496	297,482	1,502,496	228,915
Others	357,607	-	352,856	-
	<u>4,412,024</u>	<u>1,976,032</u>	<u>3,460,807</u>	<u>1,571,806</u>

* represents entities that are not controlled by the Group

Notes to the Consolidated and Separate Financial Statements

18 Earnings and Dividend 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 9,828,270,113 (2016:1,683,558,000) in issue during the year.

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Profit attributable to Group shareholders	1,122,048	6,640,953	(1,008,474)	73,919
Number of ordinary shares in issue at year end	9,828,270	9,828,270	9,828,270	9,828,270
Weighted average number of shares during the year	9,828,270	2,362,284	9,828,270	2,362,284
Earnings per share - EPS in kobo	11.42k	281k	-10k	3k

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

(b) Dividend per share (DPS)

Dividend per share has been computed based on the dividend proposed and the number of ordinary shares of 9,928,270 (2017: 9,828,270,000) in issue during the year. No dividend was proposed by the directors for the financial year ended 31 December 2018

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Dividend proposed	-	303,040	-	-
Dividend per share - DPS in kobo	0k	18k	0k	0k

Notes to the Consolidated and Separate Financial Statements

19(a) Property and equipment

Group	Computer Leasehold Land	Building Improvements	Golf Course	Plant and Machinery	Motor Vehicle	Furniture & Fittings	and Office Equipment	Work In Progress	Total
In thousands of Naira									
Balance at 1 January 2017	6,781,531	277,891	5,175,230	82,491	40,376	162,358	18,019	-	12,537,896
Transfers	-	-	-	-	-	-	-	-	-
Additions	-	7,348	1	13,138	-	1,755	11,808	1,610	35,660
Reclassification to trading properties	-	-	-	-	(1,491)	-	-	-	(1,491)
Balance at 31 December 2017	6,781,531	285,239	5,175,231	95,629	38,885	164,113	29,827	1,610	12,572,065
Balance at 1 January 2018	6,781,531	285,239	5,175,231	95,629	38,885	164,113	29,827	1,610	12,572,065
Transfers	-	5,618	-	-	-	-	-	(5,618)	-
Additions	-	20,904	-	20,695	12,689	10,816	8,701	-	72,073
Disposals	-	-	-	-	-	-	-	-	-
Reclassification to trading properties	-	-	-	-	-	-	-	-	-
Balance at 31 December 2018	6,781,531	311,761	5,175,231	116,324	51,574	174,929	38,528	(4,008)	12,645,870
ACCUMULATED DEPRECIATION									
Balance at 1 January 2017	304,789	22,224	410,773	82,157	28,480	72,514	4,310	-	925,247
Transfer	-	-	-	-	-	-	-	-	-
Charge for the year	76,196	5,568	102,693	607	6,163	27,970	4,274	-	223,471
Disposals	-	-	-	-	(1,491)	-	-	-	(1,491)
Reclassification to trading properties	-	-	-	-	-	-	-	-	-
Balance at 31 December 2017	380,985	27,792	513,466	82,764	33,152	100,484	8,584	-	1,147,227
Balance at 1 January 2018	380,985	27,792	513,466	82,764	33,152	100,484	8,584	-	1,147,227
Transfer	-	-	-	-	-	-	-	-	-
Charge for the year	76,197	6,066	102,693	3,712	6,079	23,923	6,268	-	224,938
Disposals	-	-	-	-	-	-	-	-	-
Reclassification to trading properties	-	-	-	-	-	-	-	-	-
Balance at 31 December 2018	457,182	33,859	616,159	86,476	39,231	124,407	14,852	-	1,372,165
Net book value at 31 December 2017	6,476,742	255,667	4,764,457	334	11,896	89,844	13,709	-	11,424,838
Net book value at 31 December 2018	6,324,349	277,903	4,559,072	29,848	12,343	50,522	23,676	(4,008)	11,273,699

Included in leasehold land is the golf course parcel of land measuring 150 hectares located at KM 35 Lekki Epe Expressway Lakowe, Ibeju-Lekki, Lagos being developed by Summerville Golf Club Limited ("Summerville"). Land pledged as collateral for the N5 Billion term loan obtained by Summerville from Access Bank Plc (See note 29) includes portion of this land.

There were no contractual commitments for the acquisition of property and equipment as at 31 December 2018 (2017 : nil)

Notes to the Consolidated and Separate Financial Statements

19(b) Property and equipment

Company <i>In thousands of Naira</i>	Computer Hardware- Others	Furniture & Fittings	Building	Office Equipment	Motor Vehicles	Work-In- Progress	Total
COST							
Balance at 1 January 2017	10,012	110,536	-	6,567	8,340	-	135,455
Additions	5,712	1,925	-	5,605	-	5,618	18,860
Disposal	-	-	-	-	(1,490)	-	(1,490)
Balance at 31 December 2017	<u>15,724</u>	<u>112,461</u>	<u>-</u>	<u>12,172</u>	<u>6,850</u>	<u>5,618</u>	<u>152,825</u>
Balance at 1 January 2018	15,724	112,461	-	12,172	6,850	5,618	152,825
Transfer	-	-	-	-	-	(5,618)	(5,618)
Additions	6,725	3,457	5,716	594	4,739	-	21,231
Disposal	-	-	-	-	-	-	-
Balance at 31 December 2018	<u>22,449</u>	<u>115,918</u>	<u>5,716</u>	<u>12,766</u>	<u>11,589</u>	<u>-</u>	<u>168,438</u>
ACCUMULATED DEPRECIATION							
Balance at 1 January 2017	1,626	27,256	-	1,610	3,039	-	33,531
Charge for the year	2,498	22,365	-	1,565	1,713	-	28,141
Disposal	-	-	-	-	(1,490)	-	(1,490)
Balance at 31 December 2017	<u>4,124</u>	<u>49,621</u>	<u>-</u>	<u>3,175</u>	<u>3,262</u>	<u>-</u>	<u>60,182</u>
Balance at 1 January 2018	4,124	49,621	-	3,175	3,262	-	60,182
Transfer	-	-	-	-	-	-	-
Charge for the year	3,582	22,685	86	2,479	2,709	-	31,541
Disposal	-	-	-	-	-	-	-
Balance at 31 December 2018	<u>7,706</u>	<u>72,306</u>	<u>86</u>	<u>5,654</u>	<u>5,971</u>	<u>-</u>	<u>91,723</u>
Net book value at 31 December 2017	<u>11,600</u>	<u>62,840</u>	<u>-</u>	<u>8,997</u>	<u>3,588</u>	<u>5,618</u>	<u>92,643</u>
Net book value at 31 December 2018	<u>14,743</u>	<u>43,612</u>	<u>5,630</u>	<u>7,112</u>	<u>5,618</u>	<u>-</u>	<u>76,715</u>

There were no contractual commitments for the acquisition of property and equipment as at 31 December 2018 (2017 : nil)

Notes to the Consolidated and Separate Financial Statements

20 Investment property

(a) Investment property comprises

In thousands of naira	Group 2018	Group 2017	Company 2018	Company 2017
Land at Lakowe Village, Lekki	<u>78,000,000</u>	<u>70,000,000</u>	<u>-</u>	<u>-</u>

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

In thousands of naira	Group 2018	Group 2017	Company 2018	Company 2017
At 1 January	70,000,000	57,575,884	-	-
Unrealized fair value gain (See note 11)	7,891,350	12,387,835	-	-
Additions during the year	108,650	36,281	-	-
At 31 December	<u>78,000,000</u>	<u>70,000,000</u>	<u>-</u>	<u>-</u>

(c) This represents 942.20 hectares of land bank held by Toll Systems Development Company Limited (TSD). The land bank is held for the capital appreciation and 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 CBRE Excellerate Estate Surveyors and Valuers (FRC/2014/NIESV/0000006738) as at 31 December 2018.

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

Notes to the Consolidated and Separate Financial Statements

20(e) The details of valuation techniques and significant observable inputs used in determining the fair value of investment property are presented below :

Location of properties	Valuation (N'000)	Valuation technique	Property description	Significant unobservable input	Estimate	Sensitivity on management's estimates	
						Impact Lower (N'000)	Impact Higher (N'000)
Land bank at Lakowe Village, Lekki	70,000,000	<p>Sales comparison: The basis of valuation is the Fair Value that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming:</p> <ul style="list-style-type: none"> a. a willing buyer; b. a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market; c. values will remain static throughout the period; d. the property will be freely exposed to the market; e. no account is to be taken of an additional bid by a special purchaser; f. no account is to be taken of expenses of realization, which may arise in the event of a disposal. 	<p>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 Plainfields 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 942.20 hectares.</p> <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>	Price per square meter	Sales price per square meter +/- 10%	7,000,000	7,000,000

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

Notes to the Consolidated and Separate Financial Statements

21 Investment in subsidiaries

(a) Investment in subsidiaries all of which are measured at cost comprise:

In thousands of naira	Group 2018	Group 2017	Company 2018	Company 2017
Adiva Properties Limited	-	-	10	10
Cross Town Mall Limited	-	-	10	10
Farapark II Ltd	-	-	1,000	-
Oakland Properties Limited	-	-	10	10
Toll System Development Company Limited	-	-	31,606,739	31,606,739
Summerville Golf Club Limited	-	-	1,250	1,250
Townsville Properties Limited	-	-	54,553	-
Edo Affordable Housing Development Limited	-	-	700	-
	-	-	<u>31,664,272</u>	<u>31,608,019</u>

(b) The subsidiary companies' country of incorporation, nature of business, percentage equity holding and year consolidated with Mixta Real Estate Plc is as detailed below:

Subsidiaries	Country of Incorporation	Nature of Business	Year end	Percentage Holding	
				31-Dec-18	31-Dec-17
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%
Farapark II Limited	Nigeria	Real estate	31 December	99.9%	0.0%
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	67.88%	67.88%
Townsville Properties Limited				99.9%	0.0%
Edo Affordable Housing Development Limited				70.0%	0.0%

(c) Gain on disposal of subsidiary

There was no disposal of subsidiary in the year ended 31 December 2018.

	Group 2018	Group 2017	Company 2018	Company 2017
Fair value of the consideration received	-	-	-	-
Expenses incurred on disposal of subsidiary	-	-	-	-
Net value of consideration received	-	-	-	-
Less:				
Net liabilities of the subsidiary as at 1 January	-	(68,924)	-	-
Profit recorded by the subsidiary 31 December	-	36,896	-	-
The carrying amount of the net assets/investment in subsidiary	-	<u>(32,028)</u>	-	<u>7</u>
Net gain/(loss)	-	<u>(32,028)</u>	-	<u>(7)</u>

Notes to the Consolidated and Separate Financial Statements

(d) Business Combination and Goodwill

(i) Acquisition of Townsville Properties Limited

On 31 December, 2018, Mixta Real Estate Plc agreed the consideration and control of Townsville Properties Limited ("Townsville") by acquiring the holdings of ARM Company Limited ("ARM") in Townsville. The holdings acquired from ARM was based on the executed share transfer agreement dated 31 December 2018 between both companies. The holdings acquired brings the total interest of the Company in Townsville to 100%.

In determining the acquisition date, the date in which the transaction was agreed to by both parties, that is, 31 December 2018 was adopted and the financial statements of Townsville as at 31st December 2018 was used in determining the share capital at acquisition date as permitted by IFRS 3. The consolidated financial statements includes the financial position of Townsville 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, goodwill was recognised in Non-Current assets to reflect the difference between the consideration payable and net assets of the acquiree (Townsville).

The acquisition of Townsville is expected to enable the Company to boost its profitability and also enable ARM focus on its traditional non-pension asset management business.

• Consideration

The consideration agreed for the acquisition of Townsville was N54,553,000. This has been accounted as a payable to ARM.

• Acquisition costs

There were no cost incurred relating to the acquisition

• Identifiable assets acquired and liabilities assumed

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

<i>In thousands of Naira</i>	31-Dec-2018
Assets	
Cash and cash equivalents	505,119
Debtors and prepayments	89,599
Trading properties	250
Total assets	<u>594,968</u>
Liabilities	
Other liabilities and accruals	426,253
Current tax liability	145,545
Deferred revenue- deposits from customers	24,723
Total liabilities	<u>596,521</u>
Book value of identifiable net liabilities	<u>(1,553)</u>
Share capital	10
Retained earnings	(1,563)
Total equity	<u>(1,553)</u>

• Determination of goodwill

<i>Group</i>	31-Dec-2018
<i>In thousands of Naira</i>	
Consideration payable	54,553
Cost of equity shares acquired	(10)
Pre-acquisition retained earnings	1,563
Goodwill on acquisition	<u>56,106</u>

Notes to the Consolidated and Separate Financial Statements

The recoverable amount of Goodwill as at 31 December 2018 is greater than its carrying amount and is therefore not impaired. However, in subsequent years, the Group will test goodwill for impairment, or more frequently if there are indications that goodwill might be impaired.

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	1,553
Share of NCI (0%)	-

(ii) Acquisition of Edo Affordable Housing Development Limited

Edo Affordable Housing Development Limited was formed on 11 June 2018 with an investment from Mixta Real Estates Plc (70%) and Edo State Government (30%).

The issued share capital of the entity on date of incorporation/ acquisition was N1,000,000

- **Consideration**
The consideration for the acquisition was N700,000 payable to the entity
- **Acquisition costs**
There were no cost incurred relating to the acquisition
- **Identifiable assets acquired and liabilities assumed**
The identifiable net asset acquired was the share capital with the consideration being receivable
- **Determination of Goodwill**
There was no Goodwill that arose as a result of the acquisition
- **Non-controlling interests**
NCI was recognized on a proportionate basis of identifiable net assets on acquisition as follows:

In thousands of Naira

Net liability on acquisition	1,000
Share of NCI (30%)	300

(iii) Acquisition of Farapark II Limited

Farapark II Limited was formed on 15 May 2017 with an investment from Mixta Real Estates Plc (100%). The entity however only commenced operation on 1 January 2018.

The issued share capital of the entity on date of incorporation/ acquisition was N1,000,000

Consideration

The consideration for the acquisition was N1,000,000 payable to the entity

Acquisition costs

There were no cost incurred relating to the acquisition

Identifiable assets acquired and liabilities assumed

The identifiable net asset acquired was the share capital with the consideration being receivable

Determination of Goodwill

There was no Goodwill that arose as a result of the acquisition

Non-controlling interests

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

In thousands of Naira

Net liability on acquisition	1,000
Share of NCI (0%)	-

Notes to the Consolidated and Separate Financial Statements

	Group	Elimination	Gross			Toll Systems		Edo		Summersville	
			Mixta Real Estate Plc	Adiva Properties Limited	Town Mall Properties Limited	Townsville Properties Limited	Oakland Properties Limited	Development Company Limited	Affordable Housing Limited	Farapark II Limited	Golf Club Limited
<i>Condensed profit or loss</i>											
31 December 2018											
<i>In thousands of Naira</i>											
Gain/(loss) on sale of t1,084,646	(2,267,320)	3,207,575	29,315	-	99,009	-	-	-	-	16,067	-
Other income	133,865	(1,050,930)	1,161,670	1,579	-	-	-	-	-	-	15,771
Net impairment (loss)/credit on assets	(1,281,892)	6,959	(1,287,849)	(13,993)	-	(6,959)	-	-	-	-	58,409
Operating expenses	(2,069,562)	688,134	(1,129,020)	(363,252)	(45,390)	(4,721)	(63,243)	(54,210)	(172,338)	(850,004)	-
Finance costs	(4,425,046)	901,117	(3,460,807)	(85,092)	(67,255)	(4)	(59,350)	(56)	(440)	(1,500,184)	-
Share of loss of equity-accounted investment	70,514	70,514	-	-	-	-	-	-	-	-	-
Profit/(loss) before income tax	2,158,966	(1,651,526)	(1,004,415)	(431,443)	(112,645)	87,325	7,768,757	(54,266)	(327,905)	(1,853,739)	-
Income tax expense	(813,654)	30,635	(4,059)	(11,232)	(773)	(30,635)	(789,135)	-	-	(8,060)	-
Profit/(loss) for the year	<u>1,345,312</u>	<u>(1,620,891)</u>	<u>(1,008,474)</u>	<u>(442,675)</u>	<u>(113,418)</u>	<u>56,690</u>	<u>6,979,622</u>	<u>(54,266)</u>	<u>(327,905)</u>	<u>(1,861,799)</u>	-

Notes to the Consolidated and Separate Financial Statements

Condensed profit or loss
31 December 2018

In thousands of Naira

	Group	Elimination	Mixta Real Estate Plc	Activa Properties Limited	Cross Town Mall Properties Limited	Townsville Properties Limited	Oakland Properties Limited	Toll Systems Development Company Limited	Edo Housing Limited	Farapark II Limited	Summerville Golf Club Limited
Property and equipment	11,273,699	-	76,715	-	-	-	-	-	9,932	11,294	11,175,758
Investment property	78,000,000	-	-	-	-	-	-	78,000,000	-	-	-
Investments in subsidiaries	-	(31,665,522)	31,664,272	-	-	-	-	1,250	-	-	-
Equity accounted investment	2,599,395	93,045	2,505,100	-	-	-	-	1,250	-	-	-
Goodwill	56,106	56,106	-	-	-	-	-	-	-	-	-
Debtors and prepayments	1,458,090	(887,799)	2,345,889	-	-	-	-	-	-	-	-
Loans to related entities	8,139,653	(116,687)	8,256,339	-	-	-	-	-	-	-	-
Total non-current assets	101,526,943	(32,520,857)	44,848,315	-	-	-	-	78,002,500	9,932	11,294	11,175,758
Loans to related entities	1,186,878	(14,511,985)	15,130,818	210,313	-	-	-	-	-	-	357,732
Trading properties	29,883,828	(3,809,932)	2,751,116	2,177,661	-	250	470,138	-	1,809,171	834,468	25,650,956
Debtors and prepayments	8,520,697	(17,397,687)	14,061,817	1,203,169	6,661	89,599	881	6,114,081	185,799	1,635,162	2,621,215
Cash and cash equivalents	2,792,908	(473,472)	2,449,820	13,169	5,887	505,119	8	6,468	24,253	42,137	219,519
Total current assets	42,384,311	(36,193,076)	34,393,571	3,604,312	12,548	594,968	471,027	6,120,549	2,019,223	2,511,767	28,849,422
Total assets	143,911,254	(68,713,933)	79,241,886	3,604,312	12,548	594,968	471,027	84,123,049	2,029,155	2,523,061	40,025,180
Borrowings	16,623,547	(9,781,738)	13,308,816	-	-	-	-	-	-	-	13,096,469
Deferred tax liabilities	7,729,562	(13,455)	12,441	-	-	-	-	7,730,576	-	-	-
Deposit for shares	253,746	(6,951,284)	-	-	-	-	-	-	-	-	7,205,030
Total non-current liabilities	24,606,855	(16,746,477)	13,321,257	-	-	-	-	7,730,576	-	-	20,301,499
Borrowings	26,405,285	(5,320,407)	11,381,922	768,139	402,172	-	914,804	433,050	-	-	17,825,605
Current income tax liability	1,898,946	371,275	276,295	321,255	702	145,545	305	651,589	-	-	131,978
Other liabilities	16,515,475	(11,043,923)	17,924,379	1,318,649	259,558	426,253	131,229	22,145	1,862,421	859,521	4,755,243
Deferred revenue-Deposits from customers	4,394,441	-	(9,843)	1,015,877	27,669	24,723	34,863	-	220,000	1,293,918	1,787,234
Provision	3,115,988	-	410,811	-	-	-	-	-	-	696,527	2,008,650
Total current liabilities	52,330,135	(15,993,055)	29,983,564	3,423,920	690,101	596,521	1,081,201	1,106,784	2,082,421	2,849,966	26,508,710
Total liabilities	76,936,990	(32,739,532)	43,304,821	3,423,920	690,101	596,521	1,081,201	8,837,360	2,082,421	2,849,966	46,810,209
Share capital	4,914,135	(7,790)	4,914,135	10	10	10	10	2,000	1,000	1,000	3,750
Share premium	35,565,809	(1,607,096)	35,565,809	-	-	-	-	1,607,096	-	-	-
Common control acquisition deficit	(2,920,407)	(764,406)	(2,156,000)	-	-	-	-	-	-	-	-
Retained earnings	22,769,216	(40,240,621)	(2,386,879)	180,382	(677,563)	(1,563)	(610,184)	73,676,593	(54,266)	(327,905)	(6,788,779)
Non-controlling interests	6,645,511	6,645,512	-	-	-	-	-	-	-	-	-
Total equity	66,974,264	(35,974,401)	35,937,065	180,392	(677,553)	(1,553)	(610,174)	75,285,689	(53,266)	(326,905)	(6,785,029)
Total liabilities and equity	143,911,254	(68,713,933)	79,241,886	3,604,312	12,548	594,968	471,027	84,123,049	2,029,155	2,523,061	40,025,180

Notes to the Consolidated and Separate Financial Statements

	Group	Elimination	Mixta Real Estate Plc	Adiva Properties Limited	Cross Mall Properties Limited	Oluwole Urban Mall Property Limited	Oakland Properties Limited	Toll Systems Development Company Limited	Summerville Golf Club Limited
Condensed profit or loss									
31 December 2017									
In thousands of Naira									
Gain/(loss) on sale of trading properties	544,110	-	710,616	38,392	-	-	-	-	(204,898)
Fair value gain on investment property	12,387,835	-	-	-	-	-	-	12,387,835	-
Interest income	582,302	(735,843)	1,268,915	29,279	-	356	-	-	19,595
Other income	233,095	(791,200)	834,842	95,479	-	83,533	-	-	10,441
Net impairment (loss)/credit on assets	(2,266,287)	112,312	-	(48)	(439,871)	(46,711)	-	-	(1,891,969)
Operating expenses	(1,380,369)	720,281	(922,909)	(47,517)	(668)	(280)	(8,871)	(30,555)	(1,089,850)
Finance costs	(2,186,287)	735,843	(1,780,622)	(103,732)	-	(2)	-	(57,803)	(979,971)
Share of loss of equity-accounted investment	31,083	31,083	-	-	-	-	-	-	-
Profit/(loss) before income tax	7,945,482	72,476	110,842	11,853	(440,539)	36,896	(8,871)	12,299,477	(4,136,652)
Income tax expense	(1,283,182)	-	(36,923)	(3,841)	-	-	-	(1,238,784)	(3,634)
Profit/(loss) for the year	6,662,300	72,476	73,919	8,012	(440,539)	36,896	(8,871)	11,060,693	(4,140,286)
Condensed financial position									
31 December 2017									
In thousands of Naira									
Property and equipment	11,424,838	-	92,643	-	-	-	-	-	11,332,195
Investment property	70,000,000	-	-	-	-	-	-	70,000,000	-
Investments in subsidiaries	-	(31,608,019)	31,608,019	-	-	-	-	-	-
Equity accounted investment	2,528,881	22,531	2,505,100	-	-	-	-	1,250	-
Debtors and prepayments	4,851,207	(5,081,117)	9,932,324	-	-	-	-	-	-
Loans to related entities	6,816,261	(2,619,631)	10,987,227	198,648	-	-	-	-	340,684
Total non-current assets	95,621,187	(39,286,236)	55,125,313	198,648	-	-	-	70,001,250	11,672,879
Loans to related entities	154,745	(5,333,972)	3,398,050	-	-	-	-	-	-
Trading properties	30,361,980	(1,909,217)	4,358,846	2,161,594	-	-	470,138	-	25,280,619
Debtors and prepayments	5,200,768	(12,123,647)	6,046,854	1,471,065	-	-	39,395	6,466,300	2,222,353
Cash and cash equivalents	2,094,167	-	1,960,482	19,448	65	-	-	(1,124)	115,296
Total current assets	37,811,660	(19,366,836)	15,764,232	3,652,107	65	-	509,533	6,465,176	27,618,268
Total assets	133,432,847	(58,653,072)	70,889,545	3,850,755	65	-	509,533	76,466,426	39,291,147

Notes to the Consolidated and Separate Financial Statements

	Group	Elimination	Mixta Real Estate 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>									
Borrowings	12,050,139	(23,137,490)	10,239,654	762,221	-	-	-	373,970	26,573,543
Deferred tax liabilities	6,940,427	-	12,441	-	-	-	-	6,927,987	-
Deposit for shares	247,500	(2,301,353)	-	-	-	-	-	-	2,548,853
Total non-current liabilities	19,238,066	(25,438,843)	10,252,095	762,221	-	-	-	7,301,957	29,122,396
Borrowings	22,477,684	15,183,887	4,532,038	-	-	-	-	-	-
Current income tax liability	2,007,764	(154)	342,127	371,570	121	-	-	1,150,166	143,934
Other liabilities	11,833,093	(14,783,499)	15,412,718	1,376,648	536,409	-	834,211	11,601	7,366,557
Deferred revenue-Deposits from customers	5,161,790	-	851,039	247,739	27,669	-	25,067	-	4,010,276
Provision	3,799,133	-	777,359	469,465	-	-	-	-	2,552,309
Total current liabilities	45,279,464	400,234	21,915,281	2,465,422	564,199	-	859,278	1,161,767	14,073,076
Total liabilities	64,517,530	(25,038,609)	32,167,376	3,227,643	564,199	-	859,278	8,463,724	43,195,472
Share capital	4,914,135	(5,780)	4,914,135	10	10	-	10	2,000	3,750
Share premium	35,565,809	(1,607,096)	35,565,809	-	-	-	-	1,607,096	-
Common control acquisition deficit	(2,920,407)	(764,407)	(2,156,000)	-	-	-	-	-	-
Retained earnings	24,448,810	(38,144,149)	398,225	623,102	(564,144)	-	(349,755)	66,393,606	(3,908,075)
Non controlling interests	6,906,970	6,906,970	-	-	-	-	-	-	-
Total equity	68,915,317	-33,614,462	38,722,169	623,112	(564,134)	-	(349,745)	68,002,702	(3,904,325)
Total liabilities and equity	133,432,847	(58,653,071)	70,889,545	3,850,755	65	-	509,533	76,466,426	39,291,147

Notes to the Consolidated and Separate Financial Statements

22 Equity-accounted investment

(a) The movement in equity accounted investees during the year is as follows:

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Balance, beginning of year	2,528,881	2,497,798	2,505,100	2,505,100
Additions during the year	1,461,375	-	1,461,375	-
Proceed of disposal of investment	(238,214)	-	(238,214)	-
Impairment charge	(1,223,161)	-	(1,223,161)	-
Share of profit/(loss) of equity accounted investee	70,514	31,083	-	-
Balance, end of year	<u>2,599,395</u>	<u>2,528,881</u>	<u>2,505,100</u>	<u>2,505,100</u>

(b) Investment in equity accounted investee companies is analysed below:

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Garden City Golf Estate Development Limited (See (i))	2,598,145	2,527,631	2,505,100	2,505,100
Lakowe Lakes Limited (See (ii))	1,250	1,250	-	-
Beachwood (iii)	333,333	333,333	-	-
Oceanwind Hospitality Limited (iv)	1,461,375	-	1,461,375	-
Summerville Golf Club	-	-	-	-
Proceed of disposal of investment (iv)	(238,214)	-	(238,214)	-
Allowance for impairment	(1,556,494)	(333,333)	(1,223,161)	-
	<u>2,599,395</u>	<u>2,528,881</u>	<u>2,505,100</u>	<u>2,505,100</u>

(i) Garden City Golf Estate Development Limited ("Garden city") was 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 estates and ancillary amenities. As at the reporting date, Mixta Real Estate Plc had joint control with Greater Port Harcourt Development Authority and is entitled to 51% residual interest in the net assets of Garden City.

(ii) 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.

(iii) This represents the cost of the Group's 33.3% equity holding in Beechwood Property Development Company Limited. The investment exceeds 20% which qualified it as associate company to be equity accounted for. However, the investment was not accounted for using the equity method as it fully met the exemption criteria stated in IAS 28 paragraph 17-19. The total investment of N333.3m in the entity has been fully impaired.

Beechwood Property Development Company Limited was incorporated in Nigeria as a limited liability company. The primary business activity of the company is to carry on business as developers of Beechwood Estate.

(iv) This represents Mixta Real Estate Plc's investment in Oceanwind Hospitality Limited. A total amount of N1,461,375,339 was converted to shares in Oceanwinds. However, Oceanwind was disposed during the year and the sum of N238,213,976 was received as proceeds of the disposal. The balance of the investment was totally impaired

(c) Movement in impairment allowance on equity accounted investment is as follows:

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Balance, beginning of year	333,333	333,333	-	-
Charge during the year	1,223,161	-	1,223,161	-
Recovery	-	-	-	-
Balance, end of year	<u>1,556,494</u>	<u>333,333</u>	<u>1,223,161</u>	<u>-</u>

Notes to the Consolidated and Separate Financial Statements

(d) Summary of financial information for equity-accounted investees. The following table summarizes the financial information of Garden City as included in its own financial statements, adjusted for fair value adjustments at acquisition amounting to N5.4 billion.

(i) Statement of Profit or Loss

	Garden City Golf Estate Development Limited	
In thousands of naira	2018	2017
Percentage ownership interest	51%	51%
Income	151,579	88,115
Expenses	(13,316)	(27,168)
Profit/(loss) for the year	138,263	60,947
Share of profit/(loss) for the year	<u>70,514</u>	<u>31,083</u>

(ii) Statement of financial position

Current assets (see note (iii) below)	10,810,442	16,232,805
Non-current assets	7,340	9,056
Current liabilities	(10,244,332)	(10,305,254)
Net Assets	<u>573,450</u>	<u>5,936,607</u>
Share of net assets	<u>292,460</u>	<u>3,027,670</u>

(iii) Included in the current assets is N5.4 billion representing fair value gain obtained on acquisition of investment in Garden City.

23 Loans to related entities

Loans to related entities comprise:

In thousands of naira	Group		Company	
	2018	2017	2018	2017
(a) Gross term loans				
(i) Subsidiaries				
Summerville Golf Club Limited (see (e(i)) below)	-	-	13,233,462	3,243,305
Adiva Properties Limited (see (e(ii)) below)	-	-	78,235	138,054
Oakland Properties (see (e(vii)) below)	-	-	914,832	-
Cross Town Mall Limited (see (e(viii)) below)	-	-	402,143	-
	-	-	<u>14,628,672</u>	<u>3,381,359</u>
(ii) Other related entities				
Oceanwinds Term Loan	-	404,099	-	404,099
Mixta Africa S.A (see (e(iii)) below)	3,389,434	1,393,769	3,389,434	1,393,769
Mixta Africa Corporate Services Limited (see (e(ix)) below)	426,092	-	426,092	-
Mixta Affordable Housing Limited (see (e(x)) below)	28,501	-	28,501	-
Lakowe Lakes Golf Club Limited (see (e(iv)) below)	962,571	498,570	580,381	154,745
ARM Hospitality & Retail Fund	-	-	-	-
ARM Company	224,307	195,507	-	-
	<u>5,030,905</u>	<u>2,491,945</u>	<u>4,424,408</u>	<u>1,952,613</u>

Notes to the Consolidated and Separate Financial Statements

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
(b) Shareholder loan notes:				
(i) Subsidiaries				
Summerville Golf Club Limited (see (e(vii)) below)	-	-	-	4,572,244
(ii) Joint venture/ Associate				
Garden City Golf Estate Development Limited (see (e(v)) below)	4,786,490	4,479,061	4,786,490	4,479,061
	<u>4,786,490</u>	<u>4,479,061</u>	<u>4,786,490</u>	<u>4,479,061</u>
Total loans to related parties	<u>9,817,395</u>	<u>6,971,006</u>	<u>23,839,570</u>	<u>14,385,277</u>
Specific allowance for impairment on loans (See note (c)) See note (c) below	(490,865)	-	(452,413)	
	<u>9,326,530</u>	<u>6,971,006</u>	<u>23,387,157</u>	<u>14,385,277</u>

(c) The movement in specific impairment allowance on loans was as follows:

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Balance, beginning of year	-	760	-	-
ECL Day 1 Adjustment	947,867	916,052		
Charge/ (Write back) during the year	(457,002)	(760)	(463,639)	-
Balance, end of year	<u>490,865</u>	<u>-</u>	<u>452,413</u>	<u>-</u>

(d) The analysis of loans to related parties as at end of the year was as follows:

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Due for more than 12 months	8,630,517	6,816,261	8,708,752	10,987,227
Due within 12 months	1,186,878	154,745	15,130,818	3,398,050
Total	<u>9,817,395</u>	<u>6,971,006</u>	<u>23,839,570</u>	<u>14,385,277</u>

Notes to the Consolidated and Separate Financial Statements

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

	Counterparty	Type	Purpose	Interest rate	Value date	Maturity date	Restructured /New/existing	Updates
(i)	Summerville Golf Club Limited	Unsecured commercial paper	To augment working capital of the Company	Floating interest rate	1-Jan-19	31-Dec-19	Existing/New	Not applicable
(ii)	Adiva Properties Limited	Unsecured commercial paper	To augment working capital of the Company	Fixed interest rate	11-Apr-17	11-Apr-19	Existing/New	Not applicable
(iii)	Mixta Africa, S.A	Unsecured commercial paper	To augment working capital of the Company	Floating interest rate	17-Dec-18	17-Dec-19	Existing/New	Not applicable
(iv)	Lakowe Lakes Golf Club Limited	Unsecured commercial paper	To augment capital requirements of the Company	Floating interest rate	31-Dec-18	31-Dec-19	Existing/New	Not applicable
(v)	Garden City Golf Estate Development Limited	Unsecured loan notes	Debt capital finance	10% (Fixed interest rate)	22-Aug-13	Not applicable	Existing	Not applicable
(vi)	ARM Investment Managers Limited	Unsecured commercial paper	To augment working capital of the Company	18% (fixed)	6-Oct-18	6-Oct-19	Existing	Not applicable
(vii)	Oakland Properties Limited	Unsecured commercial paper	To augment working capital of the Company	20.08% (fixed)	1-Jan-18	31-Dec-19	New	Not applicable
(viii)	Crosstown Malls Properties Limited	Unsecured commercial paper	To augment working capital of the Company	20.08% (fixed)	1-Jan-18	31-Dec-19	New	Not applicable
(ix)	Mixta Africa Corporate Services Limited	Unsecured commercial paper	To augment working capital of the Company	20.08% (fixed)	1-Jan-18	31-Dec-19	New	Not applicable
(x)	Mixta Affordable Housing Limited	Unsecured commercial paper	To augment working capital of the Company	20.08% (fixed)	1-Jan-18	31-Dec-19	New	Not applicable

Notes to the Consolidated and Separate Financial Statements

24 Trading properties

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

In thousands of naira		Group 2018	Group 2017	Company 2018	Company 2017
Land (See (i) below)		20,287,776	19,301,011	2,493,740	2,640,341
Retail shops (See (ii) below)		643,0327	36,576	172,893	172,893
Trading properties under development (See (iii) below)		8,953,020	10,324,392	84,483	1,545,612
		<u>29,883,828</u>	<u>30,361,979</u>	<u>2,751,116</u>	<u>4,358,846</u>
In thousands of naira		Group 2018	Group 2017	Company 2018	Company 2016
Category	Description				
(i)	Land				
	This represents the cost of 14.3 hectares of land situated at Lakowe village, Ibeju Lekki area of Lagos State.				
	This is the unsold portion of Townsville Extension Land.	169,884	477,925	169,884	477,925
	This represents cost of 95.6 hectares of land at Lakowe, Ibeju- Lekki, and other development costs incurred to date on the development of the Summerville residential scheme.	17,794,036	16,660,670	-	-
	16.6 hectares of land situated at lakowe Ibeju Lekki area of Lagos State. The land area represents unsold portion of Adiva East.	2,075,340	665,092	2,075,340	-
	This represents the cost of unsold land at Farapark Estate, Sangotedo, Off Lekki-Epe expressway, Lagos.	239,434	239,432	239,434	-
	This represents cost of Beechwood land. The land area is 1.47 hectares as at 31 December 2018	9,082	36,709	9,082	-
		<u>20,287,580</u>	<u>19,301,011</u>	<u>2,493,740</u>	<u>1,699,108</u>
(ii)	Retail shops				
	This represents the cost of 4 retail shops at Oluwole Urban Market, Central Business District, Lagos. The Oluwole Urban Market is a fully integrated retail and commercial complex.	53,235	53,235	53,235	53,235
	This represents the cost of 96 retail shops at Oakland Shopping Plaza.	589,797	683,341	119,658	119,658
		<u>643,032</u>	<u>736,576</u>	<u>172,893</u>	<u>172,893</u>

Notes to the Consolidated and Separate Financial Statements

In thousands of naira		Group 2018	Group 2017	Company 2018	Company 2017
(iii) Property under construction	This represents cost incurred to date on construction 18 units of homes at the "Village" residential scheme	520,279	955,517	-	-
	This represents cost incurred to date on construction of 97 units of homes at the "Enclave" residential scheme.	1,219,145	3,639,061	-	-
	This represents the cost incurred to date on land and development works situated in Ajayi Apata Royal Estate Sango-tedo off Lekki-Epe expressway, Lagos state. The land was sold to FP2 Limited, a subsidiary entity during the year. The unsold land area as at 31 December 2018 is 6.7 hectares	834,468	1,221,183	-	1,221,183
	This represents cost of outstanding inventory in Adiva Plainfields Estate on 631,132sqm of land located at Lakowe, Ibeju-Lekki, Lagos. It includes cost incurred on legal/title document, government consent, construction cost, professional fees, interest and other charges directly attributable to the property.	2,177,660	2,161,584	-	-
	RDP This represents cost incurred to date on RDP project	84,483	1,545,612	84,483	1,545,612
	Future developments This represents cost of 136,212 sqm of land at Lakowe, Ibeju- Lekki, and other development costs incurred to date on the development of the Summerville residential scheme.	2,307,814	2,022,618	-	-
	This represents the cost of land and development cost incurred on Mixta Emotan Gardens of 70.4 hectares located at Sakponba road, Benin City, Edo State	1,809,171	-	-	-
		8,953,020	10,324,392	84,483	1,545,612
		29,883,632	11,060,968	2,751,116	1,718,505

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

In thousands of naira	Group 2018	Group 2017	Company 2018	Company 2017
Balance, beginning of year	30,361,980	32,961,970	4,358,847	4,496,283
Cost capitalized	-	2,461,560	-	1,464,448
Interest & charges capitalized (see note 29(d))	3,240,461	2,129,791	5,243	-
Disposals (see note 10)	(6,940,987)	(4,042,042)	(760,601)	(1,601,884)
Acquisition of land	-	-	-	-
Additions/(transfer)	3,222,374	(703,076)	(852,273)	-
On disposal of subsidiary - Oluwole	-	(112,501)	-	-
Impairment	-	(2,333,722)	-	-
Reclassifications from PPE (see note 38 (b))	-	-	-	-
Balance, end of year	29,883,828	30,361,980	2,751,116	4,358,846

Notes to the Consolidated and Separate Financial Statements

	Group 2018	Group 2017	Company 2018	Company 2017
<i>In thousands of naira</i>				
25 Debtors and prepayments				
Debtors and prepayments comprise:				
Due from related entities (see (a) below)	5,015,778	4,910,752	8,727,435	9,991,869
Trade and other receivables (see (b) below)	4,760,003	155,154	568,321	728,224
Prepayments and other assets (see (c) below)	3,460,252	5,378,772	8,694,211	5,452,441
Gross debtors and prepayments	<u>13,236,033</u>	<u>10,444,678</u>	<u>17,989,967</u>	<u>16,172,534</u>
Specific allowance for impairment on doubtful receivables (see note (d) below)	<u>(3,257,247)</u>	<u>(392,703)</u>	<u>(1,582,261)</u>	<u>(193,356)</u>
	<u>9,978,786</u>	<u>10,051,975</u>	<u>16,407,706</u>	<u>15,979,178</u>
(a) Due from related entities:				
(i) Subsidiaries				
Summerville Golf Club Limited	-	-	2,589,198	4,364,242
Townsville Properties Limited	-	-	235,392	2,347
FP2 Limited	-	-	639,898	-
Adiva Properties Limited	-	-	1,044,028	-
Crosstown Malls Properties Limited	-	-	19,360	309,253
Edo Affordable Housing Development Limited	-	-	218,616	-
Oakland Properties Limited	-	-	17,060	761,829
	<u>-</u>	<u>-</u>	<u>4,763,552</u>	<u>5,437,671</u>
(ii) Joint Venture				
Garden City Golf Estate Development Limited	8,280	114,881	8,280	114,881
(iii) Other related entities				
Oceanwinds Hospitality Limited	553	-	553	-
Asset & Resource Management Company Limited	1,369,237	429,586	1,303,96	784
Watford Properties Limited	-	2,179,532	-	2,179,532
New Towns Development project	102	905	102	102
Due from ARM Financial Advisers	-	64	-	64
Oluwole Urban Mall Limited	(364)	10,045	(364)	10,045
Mixta Africa S.A.	93,955	212,869	93,955	212,869
Mixta Africa Corporate Services Limited	525,921	354,840	525,921	354,840
Mixta Affordable Housing Limited	16,817	23,735	16,817	23,735
Hospitality Management Company	197,741	197,741	197,741	197,741
Mixta Cote d' Ivoire	22,911	11,530	22,911	11,530
ARM Hospitality & Retail Fund	71,058	-	71,058	2,002
Fara Park Limited	964,106	1,119,750	964,106	1,131,457
New Town receivable	61,802	61,802	59,545	59,545
Lakowe Lakes Golf Club Limited	317,954	185,225	317,954	254,861
Lakowe Lakes Hospitality Limited	866,204	910	51,450	910
Beechwood Property Development Company Limited	22,709	-	21,405	-
Trinity Gardens Limited	984	-	984	-
Park View project receivable	50,105	-	50,105	-
Corporate Lodge Homestead	425,703	7,337	257,393	-
	<u>5,007,498</u>	<u>4,795,871</u>	<u>3,955,603</u>	<u>4,439,317</u>
Total	<u>5,015,778</u>	<u>4,910,752</u>	<u>8,727,435</u>	<u>9,991,869</u>

Notes to the Consolidated and Separate Financial Statements

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
(b) Trade and other receivables				
Management fee receivables (see note (i) below)	450,547	66,765	450,547	651,682
Trade receivables	3,861,066	-	-	-
Other receivables	294,124	1,134	1,134	1,134
Sundry debtors	154,266	87,255	116,640	75,408
	<u>4,760,003</u>	<u>155,154</u>	<u>568,321</u>	<u>728,224</u>

(i) This represents amounts due from outstanding project income fees from related parties

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
(c) Prepayments and other assets:				
Deposit for land (see note (i) below)	36,000	36,000	36,000	36,000
Prepayments	4,423	12,308	3,663	11,678
WHT recoverable	184,772	140,047	184,772	140,046
VAT	238,518	110,184	83,374	44,423
Construction vendor advance	2,022,439	1,390,785	515,262	516,156
Subscription for investment (See note (ii) below)	271,5351	,757,723	7,171,465	4,006,473
Other assets (See note (iii) below)	702,565	1,931,725	699,675	697,665
	<u>3,460,252</u>	<u>5,378,772</u>	<u>8,694,211</u>	<u>5,452,441</u>
Gross debtors and prepayments	<u>13,236,033</u>	<u>10,444,678</u>	<u>17,989,967</u>	<u>16,172,534</u>
Specific allowance for impairment on doubtful receivables				
See note (d) below	<u>(3,257,247)</u>	<u>(4,379,038)</u>	<u>(1,582,261)</u>	<u>(193,356)</u>
	<u>9,978,786</u>	<u>6,065,640</u>	<u>16,407,706</u>	<u>15,979,178</u>

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

(ii) Subscriptions for investment represents investment in the following related entities:

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Oceanwinds Hospitality Limited	-	1,486,188	-	1,486,188
Summerville Golf Club Limited	-	-	6,899,930	2,248,750
Garden City Golf Estate Development Limited (See note 23)	<u>271,535</u>	<u>271,535</u>	<u>271,535</u>	<u>271,535</u>
	<u>271,535</u>	<u>1,757,723</u>	<u>7,171,465</u>	<u>4,006,473</u>

(iii) Other assets is majorly made up of client accounts receivable which represents receivables from customers who have taken possession of trading properties.

Notes to the Consolidated and Separate Financial Statements

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

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Balance, beginning of year	392,703	512,660	193,356	193,356
ECL Day 1 adjustment	2,338,798		860,578	
(Reversals)/Additions during the year (see note 14)	525,746	(67,435)	528,327	-
Write off on disposal of a subsidiary - Oluwole		(52,522)		-
Balance, end of year	<u>3,257,247</u>	<u>392,703</u>	<u>1,582,261</u>	<u>193,356</u>

(e) The analysis of debtors and prepayments as at end of the year was as follows:

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Due for more than 12 months	3,086,713	4,851,207	3,137,019	9,932,324
Due within 12 months	10,149,320	5,200,768	14,852,948	6,046,854
Total	<u>13,236,033</u>	<u>10,051,975</u>	<u>17,989,967</u>	<u>15,979,178</u>

26 Cash and cash equivalents

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Cash at bank	1,102,301	1,167,960	818,118	1,060,129
Placements with financial institutions	624,305	926,207	624,305	900,353
Short term investments (see note (a) below)	1,066,302	-	1,007,397	
Cash and Bank balance	<u>2,792,908</u>	<u>2,094,167</u>	<u>2,449,820</u>	<u>1,960,482</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 is accrued on the investments at a range of 11% to 13% during the year.

27 Deferred tax liabilities

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

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Balance, beginning of year	6,940,427	5,701,756	12,441	12,554
Charge during the year (see note 30 (b))	789,135	1,238,671	-	(113)
Balance, end of year	<u>7,729,562</u>	<u>6,940,427</u>	<u>12,441</u>	<u>12,441</u>

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

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Investment property	7,717,121	6,927,986	-	-
Property, plant and equipment	12,441	12,441	12,441	12,441
	<u>7,729,562</u>	<u>6,940,427</u>	<u>12,441</u>	<u>12,441</u>

Notes to the Consolidated and Separate Financial Statements

(c) Unrecognized deferred tax assets

Significant management judgement is required to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits together with the future tax planning strategies.

The Company's deferred tax assets relates to timing difference in the recognition of depreciation and capital allowance on property, plant and equipment are not recognized in these financial statements. This is due to uncertainty about availability of future taxable profits against which deferred tax can be utilized.

The unrecognized deferred tax asset during the year is attributable to the following:

<i>In thousands of naira</i> Entity	Attributable to	Group		Company	
		2018	2017	2018	2017
Summerville Golf Club Limited	Property, plant and equipment	<u>675,207</u>	<u>179,800</u>	-	-

28 Deposit for shares

Deposit for shares comprises:

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Due to Clad Limited (i)	<u>253,746</u>	<u>247,500</u>	-	-

- (i) In line with its strategy to consolidate all its interest in the Mixta group, the directors of Clad Limited assigned their interest in deposit for shares in Summerville Golf Club Limited to Watford Properties Limited on 31 October 2018. Furtherance to this, the directors of Watford have agreed to convert these deposit for shares to equity in Summerville Golf Club Limited once the process for increase in share capital is completed at the Corporate Affairs Commission (CAC) in 2019

29 Borrowings

Borrowings comprise:

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
(a) Other related entities				
i) ARM Trustees Limited (see note (e)(i) below)	11,339	9,609	11,339	9,609
Garden City Golf Estate Development Company Limited (see note (e)(ii) below)	1,076,232	626,150	649,057	217,529
Fara Park Limited (see note (e)(iii) below)	53,462	46,119	-	-
Beechwood Property Development Company Limited (see note (e)(iv) below)	560,822	482,971	-	-
ARM Investment Managers Limited (see note (e)(v) below)	12,543,585	11,722,317	2,837,626	2,945,857
ARM Hospitality & Retail Fund	-	29,166	-	29,166
Asset and Resource Management Company Limited	7,079	7,079	-	-
	<u>14,252,519</u>	<u>12,923,411</u>	<u>3,498,022</u>	<u>3,202,161</u>

Notes to the Consolidated and Separate Financial Statements

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
(b) Other term borrowings				
Shareholder loan	-	1,692,126	-	-
Summerville Notes (NGN) 14% (see note (e)(vi) below)	1,834,885	1,806,182	-	-
Preferred Notes of \$100, 8% USD (see note (e)(vii) below)	1,593,943	1,514,547	-	-
Mixta Corporate Bond (see note (e)(ix) below)	9,822,133	4,532,038	9,822,133	4,532,038
Commercial papers (see note (e)(x) below)	11,228,431	6,915,052	11,228,431	6,915,125
Secured bank loan (see note (e)(viii) below)	4,154,769	5,022,099	-	-
MODD Management Company Limited (see note (e)(xi) below)	142,152	122,368	142,152	122,368
	<u>28,776,313</u>	<u>19,912,286</u>	<u>21,192,716</u>	<u>11,569,531</u>
	<u>43,028,832</u>	<u>34,527,823</u>	<u>24,690,738</u>	<u>14,771,692</u>
(c) The analysis of borrowings as at end of the year was as follows:				
<i>In thousands of naira</i>	2018	2017	2018	2017
Due for more than 12 months	16,623,547	12,050,139	13,308,816	10,239,654
Due within 12 months	26,405,285	22,477,684	11,381,922	4,532,038
Total	<u>43,028,833</u>	<u>34,527,823</u>	<u>24,690,738</u>	<u>14,771,692</u>
(d) The movement on borrowings during the year is as follows:				
<i>In thousands of naira</i>	2018	2017	2018	2017
Balance, beginning of year	34,527,823	25,166,507	14,771,692	6,077,457
Proceeds from borrowings	10,171,910	10,844,147	13,805,958	10,537,266
Interest expense (See note 17)	4,408,245	1,976,032	3,445,890	1,571,806
Interest capitalised (See note 24(b))	3,240,461	2,129,791	5,243	-
Reclassification	(5,630)	(357,174)	-	-
Interest income earned on borrowed funds invested	-	(50,549)	-	(44,919)
Exchange difference	-	432	-	-
Interest repayments during the year	(2,055,172)	(2,124,601)	(907,157)	(428,142)
Principal repayments during the year	(7,258,805)	(3,413,936)	(6,073,714)	(2,941,776)
Other settlement	-	-	-	-
Balance, end of year	<u>43,028,832</u>	<u>34,527,823</u>	<u>24,690,738</u>	<u>14,771,692</u>

Notes to the Consolidated and Separate Financial Statements

(e) Details of the facilities obtained by the Group are as follows:

	Counterparty	Type	Currency	Purpose	Interest rate	Value date	Maturity date	Pledged Collateral	Updates
(i)	ARM Trustees Limited	Term Loan	Naira	To augment working capital of the Company	18%	23-Nov-18	23-Nov-19	None	Not applicable
(ii)	Garden City Golf Estate Development Company Limited	Unsecured commercial paper	Naira	Loan refinancing	20.08%	19-Jun-18	19-Jun-19	None	Not applicable
(iii)	Farapark Properties Limited	Unsecured commercial paper	Naira	To finance real estate development projects	18%	1-Apr-14	3-Apr-19	None	Not applicable
(iv)	Beechwood Property Development Company Limited	Unsecured commercial paper	Naira	To finance real estate development projects	18%	1-Apr-14	3-Apr-19	None	Not applicable
(v)	ARM Investment Managers Limited	Short Term Loan	Naira	To augment working capital and finance real estate development projects	17%-21%	31-Dec-18	31-Dec-21	None	Not applicable
(vi)	Summerville Golf Club Limited Loan Note Holders	Unsecured Loan Notes	Naira	To augment working capital and finance real estate development projects	14%-16%	29-Apr-18	29-Apr-19	None	Not applicable
(vii)	Summerville Golf Club Limited Preferred Loan Note Holders	Unsecured Loan Notes	USD	To augment working capital and finance real estate development projects	7%-8%	19-Sep-18	19-Sep-19	None	Not applicable
(viii)	Access Bank Plc	Term Loan	Naira	Completion of infrastructure works on the Enclave Homes at Lakowe Lakes Golf and Country Estate	21.0%	29-Apr-15	1-Mar-22	Tripartite legal mortgage on all the parcel of land measuring 150 hectares located at KM 35 Lekki-Epe Expressway earmarked for the proposed Summerville Lakowe Lakes Golf and Country Estate.	The loan tenor was extended for an additional period of two years
(ix)	Corporate Bond	Long term Loan	Naira	Loan refinancing and Affordable Project financing	17.0%	17-Jan-17	17-Jan-22	Fully guaranteed by Guarant Co	N/A
(x)	Commercial Papers	Short Term Loan	Naira	Project financing	17.8%	30-Nov-18	30-May-19	None	N/A
(xi)	MODD Management Company Limited	Unsecured Loan Notes	Naira	To augment working capital and finance real estate development projects	17.0%	19-Sep-18	19-Sep-19	None	Not applicable

Notes to the Consolidated and Separate Financial Statements

30 Current income tax liability

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

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
Balance, beginning of year	2,007,764	2,179,277	342,127	414,371
Charge for the year (see note (b) below)	39,640	44,511	-	37,036
Prior year under/over provision	15,514		4,059	
On acquisition of a subsidiary	114,910			
On disposal of a subsidiary	-	(106,745)	-	-
Payments during the year	(278,883)	(109,279)	69,892)	(109,280)
Balance, end of year	<u>1,898,846</u>	<u>2,007,764</u>	<u>276,294</u>	<u>342,127</u>

(b) The income tax expense comprises:

Company income tax	24,519	41,395	4,059	34,186
Tertiary education tax		3,116		2,850
	<u>24,519</u>	<u>44,511</u>	<u>4,059</u>	<u>37,036</u>
Deferred tax charge (see note 27 (a))	789,135	1,238,671	-	(113)
	<u>813,654</u>	<u>1,283,182</u>	<u>4,059</u>	<u>36,923</u>

Reconciliation of effective tax rate

Group

<i>In thousands of naira</i>	%	2018	%	2017
Profit before income tax		2,158,966		7,945,482
Income tax using the domestic corporation tax rate (30%)	30%	647,690	30%	2,383,645
Minimum Tax	0%	-	0%	-
Impact of tax treatments in subsidiaries	0%	-	0%	-
Changes in recognised deductible temporary difference	-37%	(789,135)	-16%	(1,238,671)
Non-deductible expenses	6%	133,765	2%	135,092
Non-taxable income	0%	-	0%	-
Tertiary education tax (2%)	0%	-	0%	3,116
Total income tax expense in comprehensive income	<u>0%</u>	<u>(7,680)</u>	<u>16%</u>	<u>1,283,182</u>

Company

<i>In thousands of naira</i>	%	2018	%	2017
Profit before income tax		(1,004,415)		110,842
Income tax using the domestic corporation tax rate (30%)	30%	(301,325)	30%	33,020
Permanent difference	0%	-	0%	-
Non-taxable income	0%	-	0%	-
Non-deductible expenses	0%	-	1%	1,053
Tertiary education tax (2%)	0%	-	3%	2,850
Total income tax expense in comprehensive income	<u>30%</u>	<u>(301,325)</u>	<u>34%</u>	<u>36,923</u>

Notes to the Consolidated and Separate Financial Statements

31 Other liabilities and accruals

Other liabilities and accruals comprise:

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

<i>In thousands of naira</i>	Group 2018	Group 2017	Company 2018	Company 2017
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(a) Due to related entities:

(i) Subsidiaries

Crosstown Mall Properties Limited	-	-	25,667	
Townsville Properties Limited	-	-	2,600	
Adiva Properties Limited	-	-	1,354,367	421,232
Toll Systems Development Company Limited	-	-	6,044,102	6,428,347
Summerville Golf Club Limited	-	-	285,155	-
	<u>-</u>	<u>-</u>	<u>7,711,891</u>	<u>6,849,579</u>

(ii) Joint Venture

Garden City Golf Estate Development Limited	183,416	323,276	105,683	-
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(iii) Other related entities

Asset & Resource Management Company Limited	6,611,882	6,587,789	6,419,827	6,380,231
ARM Financial Advisers Limited	180	-	180	-
Mixta Africa S.A.	158,237	-	158,237	-
Mixta Cote d'Ivoire	11,381	-	11,381	-
Oceanwinds Hospitality Limited	28	5,765	28	6,304
Lakowe Lakes Golf Club Limited	93,253	-	47,061	-
Oluwole Urban Malls Limited	3,865	-	2,366	-
Townsville Properties Limited	-	35,477	-	-
Beechwood Property Development Company Limited	144,589	155,152	102,911	114,912
Corporate Lodge Homestead	1,066	-	-	17,213
ARM Life Plc	4,145	32,537	4,145	2,537
Fara Park Limited	52,385	16,687	-	-
Student Hostel Development	310	-	-	-
ARM Hospitality & Retail Fund	36,683	1,174	34,057	-
	<u>7,118,004</u>	<u>6,834,581</u>	<u>6,780,193</u>	<u>6,551,197</u>

(b) Other liabilities and accruals

Sundry creditors	1,933,690	3,498,865	1,806,835	1,531,012
Accrued expenses	507,055	94,535	104,382	70,592
Defined contributions	14,226	21,428	14,226	21,428.00
WHT payable	414,664	241,954	142,511	109,079
VAT payable	294,218	191,795	140,644	191,795
Other liabilities	3,935,140	643,346	276,521	167,993
Liability to construction vendors	2,126,517	-	841,493	-
	<u>9,225,510</u>	<u>4,691,923</u>	<u>3,326,612</u>	<u>2,091,899</u>
	<u>16,515,475</u>	<u>11,833,093</u>	<u>17,924,378</u>	<u>15,412,718</u>

Notes to the Consolidated and Separate Financial Statements

32 Deferred revenue-deposit from customers

The balance represents advance instalments (pre-sale deposits) received from clients for purchased homes, land and other products. Pre-sale deposits are recognized as liabilities until the Company performs its promised obligations stated in the agreements with the customers after which revenue is recognized. Clients are obligated to complete payments for the properties before title is passed on to them or will forfeit a percentage of the total value if they cancel the contract.

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Balance as at year end	<u>4,394,441</u>	<u>5,161,790</u>	<u>(9,843)</u>	<u>851,039</u>

33 Provisions

This relates to cost of further works which may be required or performed on real estate already delivered to the buyer. The amount recognized as a provision represents the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provision is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed.

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Provision for future costs	<u>3,115,988</u>	<u>3,799,133</u>	<u>410,811</u>	<u>777,359</u>

34 Share capital

(a) Authorized -

10,406,450,414 Ordinary shares of 50k each	<u>5,203,225,207</u>	5,203,225,207	<u>5,203,225,207</u>	5,203,225,207
169,488,000 preference shares of 50k each	<u>84,744,000</u>	84,744,000	<u>84,744,000</u>	84,744,000
	<u>5,287,969,207</u>	<u>5,287,969,207</u>	<u>5,287,969,207</u>	<u>5,287,969,207</u>

(b) Issued and fully paid share capital

Issued and fully paid				
9,828,270,115 ordinary shares of 50k each	<u>4,914,135</u>	<u>4,914,135</u>	<u>4,914,135</u>	<u>4,914,135</u>

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.

The preference shares have not been issued as at 31 December 2018.

35 Share premium

The balance on share premium account was as follows

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Balance, end of year	<u>35,565,809</u>	<u>35,565,809</u>	<u>35,565,809</u>	<u>35,565,809</u>

36(a) Common control acquisition deficit

This represents the accumulated losses incurred on acquisition of companies under common control.

36(b) Retained earnings

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

Notes to the Consolidated and Separate Financial Statements

37 Non-controlling interests

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

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Toll System Development Company Limited	8,998,593	8,160,325	-	-
Edo Affordable Housing Development Limited	(15,980)	0	-	-
Summerville Golf Club Limited	(2,337,102)	(1,253,355)	-	-
	<u>6,645,511</u>	<u>6,906,970</u>	<u>-</u>	<u>-</u>

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

31 Dec 2018

<i>In thousands of naira</i>	Toll Systems	Edo	Summerville
	Development	Affordable	Golf Club
	Company	Housing	Golf Club
	Limited	Limited	Limited
NCI percentage	12%	30%	32.12%
Total assets	84,123,048	2,029,155	40,025,179
Total liabilities	(8,837,360)	(2,082,421)	(46,810,209)
Net assets	75,285,688	(53,266)	(6,785,030)
Carrying amount of NCI	9,034,283	(15,980)	(2,179,352)

<i>In thousands of naira</i>	Toll Systems	Edo	Summerville
	Development	Affordable	Golf Club
	Company	Housing	Golf Club
	Limited	Limited	Limited
NCI percentage	12%	30%	32.12%
Gross income/(loss)	7,891,350	-	438,040
Profit	6,979,622	(54,266)	(1,861,799)
Profit allocated to NCI	837,554	(16,280)	(598,010)

31 December 2017

<i>In thousands of naira</i>	Toll System	Oluwole	Summerville
	Development	Urban Mall	Golf Club
	Company	Property	Golf Club
	Limited	Limited	Limited
NCI percentage	12%	30%	32%
Total assets	76,466,426	0%	39,291,147
Total liabilities	(8,463,724)	0%	(43,195,471)
Net assets	68,002,702	0%	(3,904,324)
Carrying amount of NCI	8,160,325	-	(1,253,355)

<i>In thousands of naira</i>	Toll System	Oluwole	Summerville
	Development	Urban Mall	Golf Club
	Company	Property	Golf Club
	Limited	Limited	Limited
NCI percentage	12%	30%	32%
Gross income/(loss)	12,387,835	83,533	(174,862)
Profit	11,060,693	36,896	(4,140,286)
Profit allocated to NCI	1,327,283	-	(1,305,936)

Notes to the Consolidated and Separate Financial Statements

38 Reconciliation notes to consolidated and separate statement of cash flows

(a) Loans to related entities

<i>In thousands of naira</i>	Group		Company	
	2018	2017	2018	2017
Balance at the start of the year	6,971,006	4,988,251	14,385,277	9,764,896
ECL Transition adjustment	(947,867)	-	(916,052)	-
Specific impairment reversal/ (loss) on loans	460,056	-	463,639	-
Interest income earned on loans	998,447	535,647	3,137,443	1,226,213
Interest income received	(41,462)	-	(41,462)	-
Balance at the end of the year	9,326,530	6,971,006	23,387,157	14,385,277
Cash inflow / (outflow)	<u>(1,886,350)</u>	<u>(1,447,108)</u>	<u>(6,358,312)</u>	<u>(3,394,168)</u>

(b) Trading properties

Balance at the start of the year	30,361,980	32,961,970	4,358,846	4,566,445
Acquired through business combination	250	-	-	-
Interest on borrowings capitalised	3,240,461	2,129,791	5,247	-
Reclassification to trading properties	-	-	-	-
Impairment	-	(2,333,722)	-	-
Write off on disposal of a subsidiary - Oluwole	-	(350,816)	-	-
Balance at the end of the year	29,883,828	30,361,980	2,751,116	4,496,283
Cash inflow/ (outflow)	<u>3,718,863</u>	<u>2,045,243</u>	<u>1,612,977</u>	<u>70,162</u>

(c) Debtor and prepayments

Balance at the start of the year	10,051,975	8,845,725	15,979,178	14,326,489
Acquired through business combination	91,599	-	-	-
ECL transition adjustment	(2,338,798)	-	(860,578)	-
Specific impairment reversal/ (loss)	(518,787)	-	(528,327)	-
Reclassification from PPE	-	-	5,618	-
Share issue costs reclassified to share premium	-	(144,472)	-	(144,472)
Write off on disposal of a subsidiary - Oluwole	-	(52,522)	-	-
Exchange gain	766	(62,481)	1,501	(60,307)
Reclassification from deposit for shares (Oceanwind)	(1,461,375)	-	(1,461,375)	-
Other non-cash adjustments	-	-	-	-
Balance at the end of the year	9,978,786	10,444,678	16,407,706	16,172,534
Cash inflow/ (outflow)	<u>(4,153,406)</u>	<u>(1,858,428)</u>	<u>(3,271,689)</u>	<u>(2,050,824)</u>

(d) Other liabilities and accruals

Balance at the start of the year	11,833,093	15,216,852	15,412,7181	8,838,960
Liabilities converted to shares	-	2,356,714	-	2,356,714
On disposal of a subsidiary - Oluwole	-	276,305	-	-
Non-cash consideration on acquisition of subsidiary	(56,253)	-	(56,253)	-
Exchange loss	-	-	-	-
VAT Paid	19,562	293	19,562	293
Acquired through business combination	(450,976)	-	-	-
Other non-cash adjustments	-	-	-	-
Balance at the end of the year	16,526,930	11,833,093	17,924,379	15,412,718
Cash (outflow)/ inflow	<u>4,206,170</u>	<u>(750,447)</u>	<u>2,474,970</u>	<u>(1,069,235)</u>

Notes to the Consolidated and Separate Financial Statements

(e) Deferred Revenue - Customer deposits

<i>In thousands of naira</i>		Group	Company
	2018	4,394,441	(9,843)
	2017	5,161,790	851,039
	Change in 2018	<u>(767,349)</u>	<u>(860,882)</u>
	2017	5,161,790	851,03
	2016	7,467,146	882,519
	Change in 2017	<u>(2,305,356)</u>	<u>(31,480)</u>

(f) Provisions

<i>In thousands of naira</i>		Group	Company
	2018	3,115,988	410,811
	2017	3,799,133	777,359
	Change in 2018	<u>(683,145)</u>	<u>(366,548)</u>
	2017	3,799,133	777,359
	2016	2,334,379	166,916
	Change in 2017	<u>1,464,754</u>	<u>610,443</u>

(g) Deposit for shares

<i>In thousands of naira</i>		Group	Company
	2018	253,746	-
	2017	247,500	-
	Change	<u>6,246</u>	<u>-</u>

Notes to the Consolidated and Separate Financial Statements

39 Related party transactions

During the year, the Company transacted business such as the provision of real estate management services with certain companies that are regarded as related entities. The gross income derived from these related party transactions during the year ended 31 December 2018 amounted to N3,137,443,000 (31 December 2017: N610,676,000).

The related parties and balances for the year ended 31 December 2018 are listed below:

Related entities	Relationship	Nature of transactions	Note	Group 31 Dec 2018 Due (to)/from N'000	Company 31 Dec 2018 Due (to) / from N'000
ARM Company Limited	Affiliate	Loan to entity Interest income Receivable from entity	23(a) 12 25(a)	224,307 28,800 1,369,237	- - 1,303,96
ARM Hospitality & Retail Fund	Affiliate	Payable to entity	31(a)	(36,683)	-
Asset & Resource Management Company HoldCo		Payable to entity	31(a)	(6,587,789)	(6,380,231)
ARM Investment Managers Limited		Loan from entity Loan from entity	29(a) 29(a)	(12,543,585) (7,079)	(2,837,626) -
Oakland Properties Plc	Subsidiary	Loan to entity Receivable from entity Interest income	23(a) 25(a) 12	- - -	761,828 17,060 152,975
Townsville Properties Limited		Payable to entity	31(a)	-	(2,600)
Cross Town Mall Properties Limited	Subsidiary	Payable to entity Loan to entity Interest income Receivable from entity	31(a) 23(a) 12 25(a)	- - - -	(25,667) 334,920 67,251 19,360
FP2 Limited	Subsidiary	Receivable from entity	25(a)	-	639,898
Adiva Properties Limited	Subsidiary	Receivable from entity Payable to entity Loan to entity Interest income	25(a) 31(a) 23(a) 12	- - - -	1,044,028 (1,354,367) 78,235 (19,969)
Toll Systems Development Company	Subsidiary	Payable to entity Receivable from entity	31(a)	- -	(6,044,102) -
New Towns Development project	Affiliate	Receivable from entity	25(a)	102	102
Summerville Golf Club Limited	Subsidiary	Loan to entity Receivable from entity Interest income Payable to entity Management fee income Development fee Subscription for Investment	23(a) 25(a) 12 31(a) 13 25(c)(ii)	- - - - - - -	13,233,462 2,589,198 (1,928,116) 285,155 (260,596) (106,920) 6,899,930

Notes to the Consolidated and Separate Financial Statements

Related entities	Relationship	Nature of transactions	Note	Group 31 Dec 2018 Due (to) / from N'000	Company 31 Dec 2018 Due (to) / from N'000
Garden City Golf Estate Development Limited	Joint venture	Loan to entity	23(b)	4,786,490	4,786,490
		Interest income	12	(307,428)	(307,428)
		Management fee income	13	(45,450)	(45,450)
		Receivable from entity	25(a)	8,280	8,280
		Payable to entity	31(a)	(105,683)	(105,683)
		Subscription for Investment	25(c(ii))	271,535	271,535
ARM Trustees Limited	Affiliate	Loan from entity	29(a)	(11,339)	(11,339)
		Interest expense	17	1,730	1,730
ARM Life Plc	Affiliate	Receivable from entity	25(a)	(364)	(364)
		Payable to entity	31(a)	4,145	4,145
Mixta Africa	Affiliate	Receivable from entity	25(a)	93,955	93,955
		Payable to entity	31(a)	(158,237)	(158,237)
		Loan to entity	23(b)	3,389,434	3,389,434
		Interest income	12	(455,368)	(455,368)
MIXTA Cote d'Ivoire	Affiliate	Receivable from entity	25(a)	22,911	22,911
		Payable to entity	31(a)	(11,381)	(11,381)
Hospitality Management Company	Affiliate	Receivable from entity	25(a)	197,741	197,741
ARM Hospitality & Retail Fund		Payable to entity	31(a)	-	34,057
		Receivable from entity	25(a)	-	71,058
Oceanwinds Hospitality Limited	Affiliate	Loan to entity	23(a)	-	400,000
		Interest income	12	(45,313)	(45,313)
		Receivable from entity	25(a)	553	553
		Payable to entity	31(a)	28	28
Fara Park Limited	Affiliate	Receivable from entity	25(a)	964,106	964,106
		Loan from entity	29(a)	(53,462)	-
		Interest expense	17	(2,305)	-
		Payable to entity	31(a)	52,385	-
Townsville Properties Limited	Affiliate	Interest expense	17	(77,889)	(34,155)
		Loan from entity	29(a)	-	(191,825)
Beechwood Property Development Company Limited	Affiliate	Loan from entity	29(a)	(560,822)	-
		Interest expense	17	(74,575)	-
		Payable to entity	29(a)	(144,589)	(102,911)
Lakowe Lakes Golf Club Limited	Affiliate	Receivable from entity	25(a)	317,954	317,954
		Payable to entity	31(a)	(93,253)	(47,061)
		Interest income	12	95,200	85,004
		Loan to entity	23(a)	962,571	580,381
New Town Receivable	Affiliate	Receivable from entity	25(a)	61,802	59,545
Corporate Lodge Home stead	Affiliate	Receivable from entity	25(a)	425,703	257,393

Notes to the Consolidated and Separate Financial Statements

Related entities	Relationship	Nature of transactions	Note	Group 31 Dec 2017 Due (to) / from N'000	Company 31 Dec 2017 Due (to) / from N'000
ARM Company	Affiliate	Loan to entity Receivable from entity	23(a) 25(a)	195,507 429,586	- 84
ARM Hospitality Fund	Affiliate	Payable to entity Payable to entity	31(a) 31(a)	(1,174) -	- -
Asset & Resource Management Company HoldCo		Payable to entity Loan from entity Loan from entity Loan from entity Deposit for shares	31(a) 29(a) 29(a) 29(a) 28(a)	(6,587,789) (11,722,317) - 7,079 (247,500)	(6,380,231) (2,945,857) - - -
Asset & Resource Management Company HoldCo		Payable to entity	31(a)	(6,587,789)	(12,947)
Oakland Properties Plc	Subsidiary	Loan to entity Receivable from entity Interest income Interest expense Payable to entity	23(a) 25(a) 12 17 31(a)	- - - - -	- 761,829 - - -
Cross Town Mall Properties Limited	Subsidiary	Payable to entity Receivable from entity	31(a) 25(a)	-	309,253
Oluwole Urban Mall Property Limited	Subsidiary	Receivable from entity Interest expense Interest income Loan to entity 23(a)-	25(a) 17 12	10,045 - -	10,045 - -
Adiva Properties Limited	Subsidiary	Receivable from entity Payable to entity Loan to entity Interest income	25(a) 31(a) 23(a) 12	- - - -	(417,962) 138,054 (37,796)
Toll Systems Development Company	Subsidiary	Payable to entity Receivable from entity	31(a)	-	(6,351,660) -
New Towns Development project Summerville Golf Club Limited	Affiliate Subsidiary	Receivable from entity Loan to entity Loan to entity Receivable from entity Interest income Payable to entity Management fee income Development fee Subscription for Investment	25(a) 23(a) 23(a) 25(a) 12- 31(a) - 13 25(c(ii))	905 - - - - - (260,596) - -	102 3,243,305 4,572,244 4,364,242 (698,046) - - (106,920) 2,248,750
Garden City Golf Estate Development Limited	Joint Venture	Loan to entity Interest income Management fee income Receivable from entity Payable to entity Subscription for Investment	23(b) 12 - 25(a) 31(a) 25(c(ii))	4,479,061 (307,429) (45,450) 114,881 - 271,535	4,479,061 (307,430) (45,450) 114,881 - 271,535

Notes to the Consolidated and Separate Financial Statements

Related entities	Relationship	Nature of transactions	Note	Group 31 Dec 2017 Due (to) / from N'000	Company 31 Dec 2017 Due (to) / from N'000
ARM Trustees Limited	Affiliate	Loan from entity Receivable from entity Payable from entity Interest expense	29(a)	(9,609) - - 171,474	(9,609) - - 1,474
ARM Life Plc	Affiliate	Receivable from entity Payable to entity	25(a) 31(a)	- 32,537	- 32,537
Mixta Africa	Affiliate	Receivable from entity Payable to entity Loan to entity Interest income	25(a) 31(a) 23(b) 12	789,185 - 1,393,769 (166,546)	789,185 - 1,393,769 (166,546)
MIXTA Cote d'Ivoire	Affiliate	Receivable from entity Payable to entity	25(a) 31(a)	11,530 -	11,530 -
Hospitality Management Company	Affiliate	Receivable from entity Payable to entity	25(a) 31(a)	- (115,791)	- -
Hospitality and Retail Fund		Loan from entity Receivable from entity	29(a) 25(a)	(29,166) -	(29,166) 2,002
Oceanwinds Hospitality Limited	Affiliate	Loan to entity Interest income Subscription for Investment Payable to entity	23(a) 12 25(c(ii)) 31(a)	- (4,100) 1,486,188 5,765	- (4,100) 1,486,188 6,304
Farapark Limited	Affiliate	Receivable from entity Loan from entity Interest income Payable to entity	25(a) 29(a) 12 31(a)	1,119,750 (46,119) - -	1,131,457 - - -
Townsville Properties Limited	Affiliate	Receivable from entity Interest expense Loan from entity Payable to entity	25(a) 29(a) 31(a)	- 1770,022 (626,150) (35,477)	2,347 33,523 (217,529) -
Beechwood Property Development Company	Affiliate	Loan from entity Receivable from entity Interest income Interest expense Payable to entity	29(a) 25(a) 12 25(a) 29(a)	(482,971) - - 70,434 (155,152)	- - - - (114,912)
Lakowe Lakes Golf Club Limited	Affiliate	Receivable from entity Loan to entity	25(a) 23(a)	186,135 498,570	255,771 154,745
New Town Receivable	Affiliate	Receivable from entity	25(a)	61,802	59,545
Watford Properties Limited	Affiliate	Receivable from entity	25(a)	2,179,532	2,179,532
Corporate Lodge Home stead	Affiliate	Receivable from entity	25(a)	7,337	-

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 Consolidated and Separate Financial Statements

40 Contingent liabilities

The Group is presently involved in 19 (December 2017: 12) litigation suits in the ordinary course of business. The total amount claimed in the cases against the Group is estimated at N973,997,350 (December 2017: N 812,492,706). The actions are being contested and the Directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the Group. The Directors are also not aware of any other pending or threatened claims and litigations.

41. Subsequent events

There were no subsequent events which could have had a material effect on the financial position and performance of the Group as at 31 December 2018 which have not been adequately provided for or disclosed.

Value Added Statements

(a) Group

<i>In thousands of naira</i>	2018	%	2017	%
Gross earnings	9,864,952		13,747,342	
Bought in goods and services	(5,767,020)		(2,957,076)	
Specific impairment allowance on financial assets	(1,281,892)		(2,266,287)	
Share of profit/(loss) of equity-accounted investment	70,514		31,083	
	<u>2,897,554</u>		<u>8,555,062</u>	
DISTRIBUTION				
Employees cost	513,650	17.7%	386,109	4.5%
GOVERNMENT				
Tax expense	813,654	28.1%	1,283,182	15.0%
RETAINED IN THE BUSINESS				
Asset replacement (Depreciation)	224,938	7.8%	223,471	2.6%
Non-controlling interest	223,264	7.7%	21,347	0.2%
To pay proposed dividend	-	0.0%	-	0.0%
To augment reserves	1,122,048	38.7%	6,640,953	77.6%
	<u>2,897,554</u>	<u>100%</u>	<u>8,555,062</u>	<u>100%</u>

(b) Company

<i>In thousands of naira</i>	2018	%	2017	%
Gross earnings	4,873,261		2,814,373	
Other expenses	(4,081,564)		(2,289,281)	
Specific impairment allowance on financial assets	(1,287,849)		-	
	<u>(496,152)</u>		<u>525,092</u>	
DISTRIBUTION				
Employees cost	476,722	(96%)	386,109	74%
GOVERNMENT				
Tax expense	4,059	(1%)	36,923	7%
RETAINED IN THE BUSINESS				
Asset replacement (Depreciation)	31,541	(6%)	28,141	5%
To pay proposed dividend	-	0%	-	0%
To augment reserves	(1,008,474)	203%	73,919	14%
	<u>(496,152)</u>	<u>100%</u>	<u>525,092</u>	<u>100%</u>

Five - Year Financial Summary

<i>In thousands of naira</i>	Group 31 Dec 2018	Group 31 Dec 2017	Group 31 Dec 2016	Group 31 Dec 2015	Group 31 Dec 2014
Assets					
Property and equipment	11,273,699	11,424,838	11,612,648	12,335,978	12,405,937
Goodwill	56,106	-	-	-	-
Investment property	78,000,000	70,000,000	57,575,884	55,589,800	54,613,380
Trading properties under development	-	-	-	-	-
Equity-accounted investment	2,599,395	2,528,881	2,497,798	2,476,789	2,506,350
Loans to related entities	9,326,531	6,971,006	4,988,251	5,204,652	4,812,002
Trading properties	29,883,828	30,361,980	32,961,970	32,179,040	27,678,398
Debtors and prepayments	9,978,786	5,200,768	7,951,132	9,317,543	8,445,811
Cash and cash equivalent	2,792,908	2,094,167	656,838	848,438	2,107,529
	<u>143,911,253</u>	<u>133,432,847</u>	<u>118,244,521</u>	<u>117,952,240</u>	<u>112,569,407</u>
Liabilities					
Deferred tax liabilities	7,929,562	6,940,427	5,701,756	5,510,525	5,403,120
Deposit for shares	253,746	247,500	31,855,488	31,856,738	31,856,738
Borrowings	43,028,832	34,527,823	25,166,507	20,262,672	17,452,476
Current income tax liability	1,898,946	2,007,764	2,179,277	2,344,456	2,202,136
Other liabilities and accruals	16,515,475	11,833,093	15,216,852	19,871,368	18,078,526
Deferred revenue-deposit from customers	4,394,441	5,161,790	7,467,146	9,012,103	10,183,488
Provisions	3,115,988	3,799,133	2,334,379	967,547	-
Total liabilities	<u>76,936,990</u>	<u>64,517,530</u>	<u>89,921,405</u>	<u>89,825,409</u>	<u>85,176,484</u>
Net assets	<u>66,974,263</u>	<u>64,064,110</u>	<u>28,323,116</u>	<u>28,126,831</u>	<u>27,392,923</u>
Capital and reserves					
Share capital	4,914,135	4,914,135	841,779	841,779	841,779
Share premium	35,565,809	35,565,809	5,819,185	5,819,185	5,819,185
Common control acquisition deficit	(2,920,407)	(2,920,407)	(2,920,405)	(2,920,407)	(2,920,407)
Retained earnings	22,769,216	24,448,810	18,110,362	17,743,510	17,473,030
Non-controlling interest	6,645,511	6,906,970	6,854,129	6,642,764	6,179,336
Shareholders' funds	<u>66,974,264</u>	<u>68,915,317</u>	<u>28,705,050</u>	<u>28,126,831</u>	<u>27,392,923</u>
	Group	Group	Group	Group	Group
<i>In thousands of naira</i>	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015	10 months 31 Dec 2014
Total revenue	<u>15,988,929</u>	<u>19,049,971</u>	<u>7,344,849</u>	<u>5,246,278</u>	<u>8,028,074</u>
Profit before income tax	<u>2,158,966</u>	<u>7,945,482</u>	<u>1,257,001</u>	<u>1,370,344</u>	<u>1,454,364</u>
Profit for the year	<u>1,345,312</u>	<u>6,662,300</u>	<u>965,435</u>	<u>1,070,619</u>	<u>977,226</u>
Transfer to retained earnings	<u>1,122,048</u>	<u>6,640,953</u>	<u>607,191</u>	<u>607,191</u>	<u>891,557</u>
Earnings per share - Basic and diluted	<u>11.42k</u>	<u>281k</u>	<u>45k</u>	<u>36k</u>	<u>53k</u>
Dividend per share	<u>0k</u>	<u>18k</u>	<u>18k</u>	<u>23k</u>	<u>20k</u>

Five - Year Financial Summary

<i>In thousands of naira</i>	Company 31 Dec 2018	Company 31 Dec 2017	Company 31 Dec 2016	Company 31 Dec 2015	Company 31 Dec 2014
Assets					
Property and equipment	76,715	92,643	101,924	98,144	-
Investment in subsidiaries	31,664,272	31,608,019	31,608,026	31,608,026	31,608,026
Equity-accounted investment	2,505,100	2,505,100	2,505,100	2,505,100	2,505,100
Loans to related entities	23,387,157	14,385,277	9,764,896	8,898,794	11,860,697
Trading properties	2,751,116	4,358,846	4,496,283	4,566,445	3,096,787
Debtors and prepayments	16,407,706	15,979,178	14,133,133	7,627,301	4,782,373
Cash and cash equivalent	2,449,820	1,960,482	522,463	713,296	224,701
	<u>79,241,886</u>	<u>70,889,545</u>	<u>63,131,825</u>	<u>56,017,106</u>	<u>54,077,684</u>
Liabilities					
Deferred tax liabilities	12,441	12,441	12,554	9,763	-
Deposit for shares	-	-	31,606,738	31,606,738	31,606,738
Borrowings	24,690,738	14,771,692	6,077,457	2,937,290	3,376,255
Current income tax liability	276,295	342,127	414,371	640,463	595,775
Other liabilities and accruals	17,924,379	15,412,718	18,838,960	15,243,180	12,931,209
Provisions	410,811	777,359	166,916	-	-
Deferred revenue-deposit from customers	(9,843)	851,039	882,519	126,787	-
Total liabilities	<u>43,304,821</u>	<u>32,167,376</u>	<u>57,999,515</u>	<u>50,564,221</u>	<u>48,509,977</u>
Net assets	<u>35,937,065</u>	<u>38,722,169</u>	<u>5,132,310</u>	<u>5,452,885</u>	<u>5,567,707</u>
Capital and reserves					
Share capital	4,914,135	4,914,135	841,779	841,779	841,779
Share premium	35,565,809	35,565,809	5,819,185	5,819,185	5,819,185
Common control acquisition deficit	(2,156,000)	(2,156,000)	(2,156,000)	(2,156,000)	(2,156,000)
Retained earnings	(2,386,879)	398,225	627,346	947,921	1,062,743
Shareholders' funds	<u>35,937,065</u>	<u>38,722,169</u>	<u>5,132,310</u>	<u>5,452,885</u>	<u>5,567,707</u>
	Company 31 Dec 2018	Company 31 Dec 2017	Company 31 Dec 2016	Company 10 months 31 Dec 2015	Company 31 Dec 2014
<i>In thousands of naira</i>					
Total revenue	<u>4,105,644</u>	<u>19,049,971</u>	<u>7,344,849</u>	<u>5,246,278</u>	<u>8,028,074</u>
Profit before income tax	<u>(1,004,415)</u>	<u>7,945,482</u>	<u>1,257,001</u>	<u>1,370,344</u>	<u>1,454,364</u>
Profit for the year	<u>(1,008,474)</u>	<u>6,662,300</u>	<u>965,435</u>	<u>1,070,619</u>	<u>977,226</u>
Transfer to retained earnings	<u>(1,008,474)</u>	<u>6,640,953</u>	<u>607,191</u>	<u>607,191</u>	<u>891,557</u>
Earnings per share - Basic and diluted	<u>-10k</u>	<u>281k</u>	<u>45k</u>	<u>36k</u>	<u>53k</u>
Dividend per share	<u>-</u>	<u>18k</u>	<u>18k</u>	<u>23k</u>	<u>20k</u>

PROXY FORM

MIXTA REAL ESTATE PLC RC.NO:645036

11th Annual General Meeting to be held at Darlington Hall, Plot CDE, Ilupeju, Lagos State, Nigeria on Tuesday, 30th July 2019 at 10:00am

being a member/members of MIXTA REAL ESTATE 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 Tuesday July 30, 2019

Dated the _____ day of _____ 2019

Shareholder's signature _____

ADMISSION FORM

MIXTA REAL ESTATE PLC.
Annual General Meeting admission

Please admit

To the 11th Annual General Meeting of Mixta Real Estate Plc which will be held at Darlington Hall, Plot CDE, Ilupeju, 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 DARLINGTON HALL, PLOT CDE, INDUSTRIAL CRESCENT, ILUPEJU, LAGOS STATE, NIGERIA ON TUESDAY, JULY 30, 2019 AT 10.00 A.M.

I/We _____ * being a Shareholder/Shareholders of MIXTA REAL ESTATE PLC. 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 Mixta Real Estate Plc. to be held on Tuesday, July 30, 2019

Dated this _____ day of _____, 2019

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.

Back of Proxy Form

RESOLUTIONS	For	Against
ORDINARY BUSINESS		
1. To receive the Audited Financial Statements for the year ending December 31, 2018 and the Reports of the Directors and Auditors thereon.		
2. To re-elect Directors.		
3. To authorise the Directors to appoint Deloitte & Touche as Auditors of the Company for the Financial Year ending 31st December, 2019 and to fix their Remuneration.		
4. To elect members of the Audit Committee.		
SPECIAL BUSINESS		
5. To ratify the appointment of Mr. Ugochukwu Ndubuisi as a Director of the Company effective on 11th October 2018.		
6. To ratify the appointment of Auditors effective on 21st May 2019.		
7. To consider and if thought fit pass the following resolution which shall be proposed as a Special resolution:		
<p>a. "That subject to obtaining the approval of the relevant third parties and regulatory authorities and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and which may be agreed to by the board of directors (the "Board"), the Board be and is hereby authorised to:</p> <p>i. raise additional capital of such amount and issue such number of shares as they shall deem appropriate for the Company, through an Initial Public Offering (Offer for Subscription and/or Offer for Sale), whether underwritten or not and in such proportions, dates and time on such other terms and conditions including the price (whether determined by book building or any other method) as may be determined by the Board (the "IPO");</p> <p>ii. list all or a portion of the shares of the Company on the Main Board of the Nigerian Stock Exchange (the "NSE"), and/or on any other listing segment or boards of the NSE, or any other internationally recognised stock exchange that the Board may deem fit (the "Listing");</p> <p>b. That the Company hereby authorises the issuance of a prospectus in connection with the IPO and the Listing;</p> <p>c. That the directors be and are hereby authorised on behalf of the Company to enter into and execute any consent letters, notices, agreements, deeds, undertakings and any other documents necessary for and/or incidental to effecting these resolutions; and to accept and give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions of the proposed IPO and Listing as it may in its absolute discretion, deem fit and proper in the best interest of the Company and to do all such things as are required to give effect to the IPO and Listing; and</p> <p>d. That the Board, management and officers of the Company be and are hereby authorized to perform all such other acts and do all such other things as may be necessary to give effect to the foregoing resolutions, including but not limited to the appointment of professional parties and advisers, the filing of all required documents with the Corporate Affairs Commission, the NSE, or any other relevant stock exchange and complying with the directives of any regulatory authority."</p>		

Back of Proxy Form

RESOLUTIONS	For	Against
<p>8. To consider and if thought fit pass the following resolution which shall be proposed as a Special resolution:</p> <p>i. "That in connection with the proposed transfer by Asset & Resource Management Holding Company Limited ("ARM") of its shares in Mixta Africa, S.A to the Company (the "Transfer"), the Board of Directors (the "Directors") of the Company be and is hereby authorized to issue as consideration for the Transfer, an instrument convertible into shares valued at €33,837,304.86 (Thirty-Three Million Eight Hundred and Thirty-Seven Thousand, Three Hundred and Four Euros and Eighty-Six Cents), with a tenor not exceeding nine (9) months to ARM, on such terms and conditions as the Directors and/or the management may deem fit, subject to obtaining the approval(s) of the relevant third parties and regulatory authorities (where applicable) and dependent on the pricing of the Company's shares in connection with the contemplated Initial Public Offering; and</p> <p>ii. That the Directors are hereby authorized to enter into any agreements, deeds, notices and any other documents necessary for and/or incidental to give effect to the resolution in (i) above."</p>		
<p>Please indicate with an "X" in the appropriate column, how you wish your votes to be cast on the resolutions set out above.</p>		

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

1. 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.
2. 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.
3. In the case of joint shareholders, any of them may complete the form, but the names of all joint shareholders must be stated.
4. 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.
5. 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:

- a. Write the name of your proxy (if any) where marked *
- b. Ensure that the form is signed by you
- c. 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.

Back of Proxy Form cont'd

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar

Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female

Surname/Company's Name First Name Other Name

Address

City State Country

Previous Address (if any)

Clearing House Number (CHN) (if any) Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

Signature: Signature: Company Seal(if applicable)

Joint/Company's Signatories

DISCLAIMER

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

**Please tick against the company(ies)
where you have shareholdings**

CLIENTELE

1. AFRICA PRUDENTIAL PLC
2. ABBEY MORTGAGE BANK PLC
3. AFRILAND PROPERTIES PLC
4. ALUMACO PLC
5. A & G INSURANCE PLC
6. A.R.M LIFE PLC
7. ADAMAWA STATE GOVERNMENT BOND
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPP AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. MED-VIEW AIRLINE PLC
26. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
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48. UNITED CAPITAL WEALTH FOR WOMEN FUND
49. UNIC DIVERSIFIED HOLDINGS PLC
50. UNIC INSURANCE PLC
51. UAC PROPERTY DEVELOPMENT COMPANY PLC
52. UTC NIGERIA PLC
53. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2. Tel: 084-303457

E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud



e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

***= Compulsory fields**

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. *E-MAIL:

5. ALTERNATE E-MAIL:

6. *MOBILE NO.: 7. SEX: MALE FEMALE

8. ALTERNATE MOBILE NO.:

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.:

11. NAME OF STOCKBROKER:

DECLARATION

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

Signature:

Signature:

Company Seal(if applicable)

Joint/Company's Signatories

DISCLAIMER

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

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

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E-MAIL: cfc@aficaprudential.com | www.aficaprudential.com | @afirprud



E-SERVICE/DATA UPDATE FORM

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

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER M F 5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH

8. *MOBILE (1) (2)

9. *ADDRESS

10. OLD ADDRESS (if any)

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN)

DECLARATION

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

Signature:

Signature:

Joint/Company's Signatories

Company Seal (if applicable)

DISCLAIMER

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

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

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- OTHERS:
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-

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E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud



Mixta Real Estate Unclaimed Dividend List

S/N	Holder Name
1	ARM INVESTMENT MANAGERS LIMITED (NOMINEE)
2	JOHA GLOBAL SOLUTION
3	ADIC INSURANCE PLC
4	LION BUILDINGS LIMITED
5	AKOMAYE EMMANUEL
6	OYEWOLE OLUMUYIWA
7	LOKPOBRI HEINEKEN
8	SALAG LIMITED
9	MR& MRS V.O.DANIA
10	ADELE-ADEWOLE RASAQ ADEAGBO
11	OKORODUDU TERRY OMATSOLA
12	VGARDEN INVESTMENT LTD
13	AXIAL NIGERIA LTD
14	OLADUNNI AYODEJI
15	VETIVA NOMINEES A/C IMPACT INVESTMENT CLUB
16	VETIVA NOMINEES A/C VIMP 1083
17	ALHASSAN MOHAMMED SANI
18	OGUNBIYI THEOPHILUS AYO JAMES
19	ESEKA JOSEPH ONUORA
20	MAJEKODUNMI OMOWUNMI OYINKANSOLA
21	VETIVA NOMINEES A/C VIMP 1143
22	BAJAH DORIS OMERESAN
23	NIGEL ABIODUN SOSAN
24	BIMSUKA INVESTMENTS LTD
25	GIWA SHAMSUDEEN ADEMOLA
26	EZENACHUKWU STELLA ITEMIMIE
27	SAGOE AYODELE KOFI
28	EZENACHUKWU OBIANUJU NADINE
29	OZOH IKECHUKWU BONIFACE
30	S-DOUGLAS IBITROKO
31	GBOLAHAN FUNSHO
32	MASTERMINDS GLOBAL RESOURCES LTD
33	EDOZIEN NDIDI
34	ABIOLA AYOBOLA OLUWAFEMI
35	MAJEKODUNMI KOFOWOROLA ADEDAMOLA
36	BLUESTONE CAPITAL NIG LTD
37	KUPOLATI FUNLOLA
38	OHIWEREI OKIEMUTE GLORIA
39	OGUNSULIRE YINKA
40	OCHADA GREGORY ONYEBUCHI
41	CECILIA MADUEKE
42	ILORI EYITAYO JNR
43	NNAMDI MELIE

Mixta Real Estate Unclaimed Dividend List (cont'd)

44	ADEWOLE ADESUA OMOLEGHO
45	OGBIMI JOSHUA OKIREMUTE
46	SIDI NASIRU SHEHU
47	EMMANUEL PAULKER
48	KOHOL MIKE TYONONGU
49	ODUTAYO GBOLAHAN OLADIPO
50	ONASANYA ONABANJO S
51	ADEBOYE FOLUKE
52	DABUGAT TUKDAT
53	OHIWEREI EHINMIGBAI OTOIDE
54	GARBA JUSTICE MUSA
55	OSINAME ADEYINKA OMOLADE
56	ESTATE OF DR. OLUKAYODE ADELAJA
57	HARLEQUIN INVESTMENTS LIMITED
58	NYAKO HALIMA
59	ODOGWU KENNY
60	BUNU KANAA IBRAHIM
61	BAKEL VIRGINUS
62	MAYUKU TAIWO
63	STOCKOGEST NIG. LTD
64	VETIVA NOMINEES A/C ANTHONY RICKETTS
65	SHODUNKE ADEKUNLE
66	IHEKWUMERE UTO
67	AWOYEMI OBAFEMI
68	RANDLE FOLASADE
69	LAWAL ISIOMA
70	AGODI KAREEM ADISA
71	NDIFE EDWIN O
72	CHIWETALU UCHE
73	ADEMOLA ADIGUN
74	IMASEKHA ABIEYUWA
75	AJAO ROTIMI
76	SUARA ADEYEMI MISBAU
77	EZEKIEL OSASUMWEN
78	EDUN OLUYEMISI
79	OGHENEKARO IGHOJOVBE WINIFRED
80	ONAFOWOKAN OLUBUNMI ADEPEJU
81	EGBUZIE CLETUS UZODIMAH
82	ONASANYA OLAYINKA MODUPE
83	OKPERE MATTHEW
84	AWOYEMI OLUBUNMI
85	ONI TEMITOPE ADEMOLA
86	IYAMABO PATRICK
87	AKINLUYI KIKELOMO CHRISTY

Mixta Real Estate Unclaimed Dividend List (cont'd)

88	FOLAWIYO MF
89	ABOABA GEORGE OLUMUYIWA
90	EKPO SUNDAY JIMMY
91	UME-EZEOKE CHUKWUDI PHILIP
92	CHUKWU CLEMENT OBINWANNE
93	BUHARI MANNIRA
94	ORUENE IKIOENE WORIPAGA
95	AKINSANYA OLADAPO OLUSOLA
96	KARIM AYODEJI ADEBAYO
97	AKPATA OLUMIDE
98	OGHIDE ANTHONY IDAHOSA
99	KAYLOPE COY LTD
100	ESEKA CHUKA JNR.
101	JIMOH RAUFU MUIDEEN
102	OKONKWO JOSEPH CHIBUZO
103	OGUNSANWO JOSEPH MOTUNRAYO
104	FADIPE CHINEZE MAUREEN
105	AZUBUIKE UCHE
106	IMASUEN OSAGIE ESEOGHENE HARRISON
107	EJIM CHINENYE NWAOGO CHUKWU
108	METANOIA CONCEPTS
109	AKINYOMBO OLUGBENGA AKINTUNDE
110	EZE CHUKA CELESTINE
111	SHONEKAN OLATUNDE
112	OKARO NDUBUISI
113	ALIYU MOHAMMED LAWAL
114	OLADUNJOYE MUSTAPHA OLUSOLA
115	AJOSE-ADEOGUN ABAYOMI OKURIYIKE
116	AIKHUEMELO TOPE-PHILLIPS OSOBASE
117	ALELE-WILLIAMS GRACE AWANI
118	OYEWOLE JOSEPH OYETUNDE
119	GHEYSEN REAL LIMITED
120	OSHOSANYA JUMOKE
121	GENITY LTD
122	GBAJABIAMILA AMINAT
123	SANYAOLU JONATHAN AYO
124	AKINWUNMI AYODELE PATRICK
125	AYORINDE TAIWO OLUFUNKE
126	SONEYE OLUYEMI BABATUNDE
127	ONYENWENU ONYEMACHI MICHAEL
128	AGBI OLUBAYODE ABIMBOLA
129	KIRTAP (HOLDINGS) LIMITED
130	ADEWUNMI OLUSHOLA OMOWUNMI
131	BIOBAKU ZUBIEDAT BOLARIN

Mixta Real Estate Unclaimed Dividend List (cont'd)

132	CAPGEMINI INVESTMENTS LIMITED
133	ONIOVOKUKOR LUCKY OCHUKO
134	AJIBOLA OMOSALEWA MORIAMO
135	OWONUBI OLUWAKEMI ABIODUN
136	EDUN AYODIWURA OLUWABUSAYO
137	AJAYI EMEKA OLATUNJI
138	GOSEN INTERNATIONAL AGENCIES LTD
139	AMADI VALETINE CHUKWUEBUKA
140	ALIYU GARBA FATIMA
141	DANMOLA ADEOLA
142	MOHAMMED IYABO
143	ALADE SUNDAY
144	SHELL COOPLAG/ OLANIYAN OLAYINKA
145	OBIJIAKU PRINCE TOOCHUKWU
146	SOMORIN DAVID OLALEKAN
147	FABOLUDE EMUOBOSA HELEN
148	EDUN AYOYIMIKA OLUWATOBI
149	ARASTUS BARNABAS INYAWEBOWE
150	ILORI JOSEPH OSUNTOLA
151	EDUN AYODEJI OLUTOSIN
152	OLOWU ABIOLA GBOLAGUNTE
153	ESAN JACOB
154	ROTIS NIGERIA LIMITED
155	ADENIRAN OLUWATOYIN ISIWAT
156	OJEIKERE OMOLEGHO
157	FARINDE OLUWAKEMI
158	BAYO ALI
159	OLUGHU WILLIAMS CHIDOZIE
160	OGHWIE OKPAKO FRANCIS
161	AGBESE SAMUEL AGBESE
162	OGIRRI ROBERT OSHIOKE
163	LADEJO MARY KEHINDE
164	OSINUBI PATIENCE ADEPEJU
165	HAWKSWORTH INVESTMENT LIMITED
166	RAMADAN AYUBA
167	OKOLO UCHENNA VIVIAN
168	FABOLUDE OLADEJO ADEBOLA
169	AKINSEYE OLUWABUNKUNMI
170	OKALLA CHRISTIAN CHUKWUEMEKA
171	IKEOKWU VIVIAN CHIOMA
172	OLA-SHODUNKE IFEDEYI
173	AKINOLA ADESOLA OLUWASEUN
174	UBA BISIKE OBIOHA
175	MR & MRS UKEJE

Mixta Real Estate Unclaimed Dividend List (cont'd)

176	KOLAWOLE ZAID AYODEJI
177	OKOH MODUPE & BABATUNDE
178	ADEJUWON OLUMUYIWA
179	IRELE MODUPEOLA
180	EBONG INA ROSE
181	ARIJE RASHEED ORİYOMI
182	GEORGE TITILAYO ESTHER
183	GINIGBIH OLABISI NURUDEEN
184	ILO DANIEL CHINEDUM
185	AIKU ADEYOJU PETER
186	OSIYALE BOLARINWA OLUGBENGA
187	DURU VITALIS CHUKWUEMEKA
188	PETERS FUNKE
189	MUSA RAHMAT AZUMI
190	FAGBUYI OLALEKAN OLADIPUPO
191	ALIU SOLA
192	OSAZUWA PETER OSAGIE
193	LENBOROGGH BUSINESS CONCERN LTD
194	NWOSU NJIDEKA ROSEMARY
195	OYEWUMI LATEEF ADELEKE
196	POPOOLA NOJEEM OLALEKAN
197	OKE OLATUNBOSUN AYOTUNDE
198	AHANEKU ESURU
199	EDUN MOJISOLA FOLUKE
200	AKINSANYA FELIX ADEOLU
201	MR & MRS EYO
202	MOGAJI MOSHOOD OLUSEGUN
203	EMEKENE OWHOLOGBO DANIEL
204	AKINLOYE YETUNDE OLAJUMOKE
205	BAJO OLADIPO BABATUNDE
206	MAHOUD SHARFUDDEEN ZUBAIR
207	ADEBAYO BASHIR GBOLAGADE
208	OLA-SHODUNKE INIOLUWA
209	ONYEBUCHI NNAMDI CYRIACUS
210	ADEWOYE OLUWAFEMI ABIODUN
211	ONOH ONUBOGU MOSES
212	OWO OLUWASEYI SOLOMON
213	EGBEJULE DAVID OYEH
214	ISMAIL OLUGBENGA OLADIPUPO
215	OLA-SHODUNKE IFEJOLAADE
216	COCODIA ENERE
217	IRONTA JOHN
218	AILEOBINI ABDULHAREEM EKHA
219	OWOTURO OLUWAFEMI OLUDARA

Mixta Real Estate Unclaimed Dividend List (cont'd)

220	MAJEKODUNMI OLUMUYIWA OLUJINMI
221	FALOLA KAYODE OLADELE
222	UDEOGARANYA OBINNA PATRICK
223	OBELE BROWNSON OBARIDOA
224	LADEJO OLUTOSIN CHARLES
225	ADEWALE EMMANUEL OLUFEMI
226	IBEABUCHI ANANABA
227	EMUH EVELYN EGHOGHO
228	AKHABUE OSAGHAE COLLINS
229	ABIMBOLA HENRY TUESDAY
230	SOLA-ADEYEMI ADEBISI JOSEPHINE
231	ANIBABA AFOLABI ISRAEL
232	FATUNBI MICHAEL
233	ANUWE OMOLARA EBELE
234	AZOM PRINCE NNAMDI
235	EZEM MAUREEN FAITH
236	NZEKA CHUKA
237	OMODELE BABATOPE AYODELE
238	KETIKU OMOBAYODE OLUWASEUN
239	NWOWU EUNICE
240	ADELEYE TAIWO ADEWALE
241	ITSUELI MARY ENOREDIA
242	ORAGWU CHINNEZE THOMAS
243	OLU-DANIEL OMOSEEKE ODUNAYO
244	FARINDE OLUWATOFARATI MOTOROLA
245	OBIAKOR KINGSLEY .A & NGOZI L
246	UGOCHUKWU UZONDU MARCELLINIUS
247	MONYEH MARGARET NWAKANMA
248	UME-EZEOKE CHUKWUNONSO ANGELINA
249	TARIBO PAUL IJIOMA
250	ONWUKA CHINYERE MARTINA
251	OBOT IDORENYIN
252	AKINBOBOYE AKINOLA AFOLABI
253	ONIYANGI ASMAU GOGO
254	ONAJIN TOLULOPE OLAMIDE OLAJUMOKE
255	OGU B N
256	AJIJOLA MARIAN ENIOLA
257	AMINU OLUBUNMI
258	BALOGUN OLATUNDE BAYO
259	IKE SARAH CHINWENDU
260	GOUCHOEKPON GREGOWA
261	AONDONA-ATE BLESSING
262	BAMISHILE-RICHARDS DAVID OLUWANIYI
263	AHMED AISHA SHAMSUNA

Mixta Real Estate Unclaimed Dividend List (cont'd)

264	UDOH IMOH SUNDAY
265	OBUA IFEANYI
266	ODUTOLA IYABO
267	ESEGINE GLORIA EJIROGHENE
268	FAJIMI EBUNOLUWA ADELOMO
269	OROPO ABDUSALAM OLALEKAN
270	OBI THOMPSON J
271	SULE BASHIR UMAR
272	OHAGWU UCHENNA JOSEPH
273	ONWUKA IJEOMA
274	BULUKU OGHENEKEVWE PAUL
275	COKER ADEDOYIN APINKE
276	ADEWUNMI OPEYEMI HELEN
277	AKINRO OLADAPO
278	SOLANKE ADEDAMOLA ABIODUN
279	RAJI SAIDI OLADIMEJI
280	DINA DEBO
281	FADAIRO OLUTUNDE ADEYANJU
282	EZEKWEM UGONNA GRACE
283	AMOS OLUFUNKE ESTHER
284	PARIOLA ANGEL
285	NOBLE FAITH CATERERS
286	ADEKEYE ADEBUKOLA
287	NWODIKA OBIANUJU OGOCHUKWU
288	DADA ABIMBOLA JANET
289	ABAYOMI MICHEAL OLUTAYO
290	ABAMIC RESERVES LIMITED
291	ANNAM (MINOR) DANIEL U
292	ANIMASHAUN NADIA OLAOLUWA
293	ADEDIRAN OLANIKE TOLULOPE
294	OMOTOLA OMOLOLA OLUWABUNMI
295	OLORUNYOMI ALICE
296	SHITTU OREOLUWA ZAINAB
297	ALLEN ADEDOJA SHERIFAT
298	AKUNNA CHARLES
299	EBADIN MARIA EHIIOGHILEN
300	ATO BATELE OLUWATOSIN OPEYEMI
301	OTUDERO VICTORIA OLUDAMILOLA
302	FETUGA TOLULOPE BABATUNDE
303	OSENI MORUFU BABALOLA
304	EBE DAISY OMOYEMWEN
305	MBAEGBU IJEOMA KELECHI
306	NJERE JOY CHIAKA
307	OJO ADEREMI ALABI

Mixta Real Estate Unclaimed Dividend List (cont'd)

308	GIDADO TAOFE EK TAIWO
309	AKELE DOKPE OHONMOIME
310	TARIBO MARKSON
311	AKINSEYE ADENIKE BOLANLE
312	AWANI JUDE EDEMA
313	BODUNRIN REIM
314	UKAH CHRISTOPHER OGBONNAYA
315	ANIMASHAUN AL-FURQAN FOLORUNSHO
316	ALAO-SAMSON OLARENWAJU
317	ALABI OMOWONUOLA.O & BABAJIDE .T
318	ALAKIJA ADEYEMO CUDJOE
319	AMOO BABAMAYOWA
320	CHUKWUEBUKA SOLOMON N
321	DANIEL-ADEBAYO OLUYEMISI MOPELOLA
322	ANOCHE IFEYINWA MAUREEN
323	EREBOR OSAYUWARE
324	ASHI-SULAIMAN OLUFEMI ABDUL-HAFEEZ
325	OWOLABI GBENGA OLANREWAJU
326	OLAGUNJU DEBORAH AJOKI
327	ANOCHE CHIMEZIE
328	DAN-MUSA EYITAYO
329	FAMUREWA OLUWAMODUPE EBENEZER
330	ADEFILA BIODUN EBUN
331	EZE NKERIRUKA FAVOUR
332	MARINHO IBIKUNLE JOSEPH
333	ADENIYI OLANIYI
334	ESOMOJUMI ADEMOLA
335	NDUDIRIN CHIEDOZIEM
336	AMINU OLUWATOFUNMI
337	ALONGE FOLAKEMI BOSEDE
338	ONIANWA AZUKA ANDRE
339	MAMUKUYO OLUBUNMI
340	IDOWU EBENEZER OLUFEMI
341	ADASEN UFUOMA
342	OPUZI NATHANIEL OYINKURO
343	MOMODU-MUSA JAMILA
344	OGUINE NONYELUM BENNY
345	ANNAM (MINOR) ARIT O
346	BELEJIT AYISIOGAK
347	DIVINE NOBLE FAITH VENTURES
348	ABDULLAHI HAFSATU
349	GENESIS 1 SCULPTURE ENT
350	IGBOKWE AHAMEFULA
351	DADA ODUNAYO AFOLABI

Mixta Real Estate Unclaimed Dividend List (cont'd)

352	TAIRU RASHEED
353	AILENBUADE CHRISTOPHER
354	DAPO-MAKANJUOLA IFEJESUDAMISI EBUNJESU
355	SIYANBADE REVEREND AKINDELE OLUSEGUN
356	ADEGBITE GIDEON OLUWASEGUN
357	IFEJIOFOR EBERECHUKWU CHUKWUDIOGO
358	ADEPOJU GBENGA ABIOLA
359	OGU NDUDIRIM BETHRAND
360	USMAN MURTALA
361	EWUZIE CHINEDUM CHIKA
362	EMMANUEL IKE NAOMI AMARACHUKWU
363	ADISA AYOOLA
364	OLUGBENGA NSE-ABASI
365	OLOWU OLAMIDE OLUWATOSIN
366	POPOOLA OLUWASEUN SUNDAY
367	OLOGE STANLEY OWORUA
368	OBURO NGOZICHUKWUKA ANDREW
369	OKAFOR CAROLINE NKECHI
370	GREEN-NWODIM EMILY
371	OMOEJE OBINNA BENJAMIN
372	OGUNNOWO OLUSOLA OLURANTI
373	OLORUNYOMI OLUREMI
374	SHODIMU OYEYEMI JULIUS
375	OKORO IKONMWOSA CLARA
376	ODUMOSU ABIMBOLA
377	OJO BABATUNDE OPEYEMI
378	NNOKA JULIET OGECHUKWU
379	IWUALA CHUKWUNOMNSO EDMOND
380	ODUWOLE OLUSEUN
381	ODEYEMI AKINTUNDE OLANIYI
382	OKIKE REX OKORIE
383	YUSUPH MEDINAH OLUWABIMPE
384	EDAFE OGHENERUKEWE ALEXANDER
385	AKUNYIBA EMEKA
386	UTOMI LOVE ONYEJIZURU
387	NDUDIRIM N EUCHARIA
388	AJIBADE ADEOLA ABOSEDE
389	EZEANOWAI-OBIEZU COSMAS OKECHUKWU
390	OJI MICHAEL OGBONNAYA
391	ADESINA AYOKUNLE EBENEZER
392	NDUDIRIM CHIBUEZE F
393	ANYANWU EMMANUEL OKECHUKWU
394	YUSUF SUNDAY
395	FAGBIRE OLANREWAJU OLUBUKOLA

Mixta Real Estate Unclaimed Dividend List (cont'd)

396	OYEWOLE OLANREWAJU BAMIDELE
397	MUTAIRU HABEEBULLAH OLORUNNISHOLA
398	EJIM BERNARD CHIDOZIE
399	MAMUKUYO ADESOLA
400	UGWU STEPHEN IKECHUKWU
401	EDENARU MABEL EHIOSU
402	OMOREGIE FRIDAY NOSA
403	OKOLI IKECHUKWU EZEKIEL
404	ADENIJI OLUKEMI
405	ADEYEMI JESUTOFUNMI
406	OMOLOLA OLAITAN ODUNUGU
407	AIMIUWU DONNA OSASUMWEN
408	LAWANI OLUWATOSIN
409	ESOMOJUMI EBUNOLUWA
410	ESOMOJUMI FOLARIN
411	VETIVA NOMINEE OLUSEGUN OYEKANMI
412	ADEFOPE ADEDOTUN OLUWATOSIN
413	EHIEDU AGHARINMA
414	ONAWUNMI OLAWUNMI YETUNDE
415	OBUKEOWHO OGHENEWARE BRIGHT
416	OLOLADE ATOLOYE
417	ALONGE OLUBUSAYO EZEKIEL
418	OLANIYAN BANJI
419	ADEBAJO ADEGBOYEGA
420	ARAOYE BHADRIYA TITILAYO
421	IJADIMINI ABIOLA ABIODUN
422	OKUNUBI GABRIEL ADETOLA
423	JIBOWU ADEALAFIA
424	OPEODU IBUKUN OLUGBENGA
425	FATOGUN ENIOLA OLUFISAYO
426	IWUAJOKU CHINYERE BEATRICE
427	ADEYEMI ADERONKE OYEYEMI
428	OLUSOJI-OKE OLAIDE OLUWATOYIN
429	KAMSON ABISOLA
430	OMONFOMAN AKHERE PHILIP
431	ADELEKAN ABIOYE
432	SOWEMIMO OLUKEMI SUSAN
433	ETIM CHRISTOPH
434	SHOLUMADE TITILAYO
435	OHWOVORIOLE AKPIFO ONOME
436	ONIWINDE ADEBOYE TAIWO
437	EMENUWA & IJEOMA JAJA-WACHUKU
438	ANIMASHAUN OMOWUNMI
439	OGUNLEYE AKINWALE GBENGA

Mixta Real Estate Unclaimed Dividend List (cont'd)

440	GANIYU KUDIRAT MOTUNRAYO
441	RABIU TAJUDEEN OLAWALE
442	ONIWINDE KEHINDE OLUSEGUN
443	ONIWINDE TAIWO ADEWUNMI
444	ADETUTU SIYONBOLA GANIAT
445	IBIROGBA F.M.
446	ADEGBOYE THEOPHILUS OYEBISI
447	SAIDI BANKOLE
448	ELENITOLA-JOHNSON OMOLOLA
449	DUROJAIYE ANTHONIA O.
450	AJADI YEKINI OLAREWAJU
451	AYODELE OLUMIDE BABATUNDE
452	OMOTAYO TAIWO
453	MAUDLINE UZOHO
454	AKINDELE BABATUNDE SALAMI
455	OYEFESO J.O.
456	ABDULYEKINI MAKANJUOLA OLADAYO
457	OGUN O.
458	ONIWINDE YINKA
459	ADEDIGBA OLAEISI
460	ODIBA D.E.
461	OLUYOMI ONIWINDE
462	OLAJIDE DOYIN
463	MAKANJUOLA MORAYO
464	ADEMOLA OGUNFOLU
465	OLUGBOSUN ARIYO AYO
466	IBRAHIM OLANREWAJU FATAI
467	AREGBESOLA KOLAWOLE FRANCIS
468	OLAWALE E.O.
469	ALICE ONYEN ADEJO
470	OLABISI ADEBISI
471	EJIKE IGBOKWE LAMBERT
472	IGBASANMI JOHN OLATOMIDE
473	NNAMDI PATRICK UGOCHUKWU
474	TUNDE MOSHOOD ISIAKA
475	LUKMAN YUSUF OLAITAN
476	OYEDELE ABDULAZEEZ ADEMOLA TAIWO
477	BINUYO SHARAFATEJU
478	ALADE WILLIAMS
479	ERINFOLAMI BALOGUN GAFAR OLOLADE
480	SHEHU MALLAM MIKAIL
481	BANJI OLUGBOSUN
482	ALABI STEPHEN ABAYOMI
483	OKUBANJO SEGUN



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