AFRILAND
PROPERTIES

AFRILAND PROPERTIES PLC
RC:684746

2015 ANNUAL REPORT
AND ACCOUNTS

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FOR THE YEAR ENDED 31 DECEMBER 2015

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

VISION & MISSION STATEMENTS

Our Vision:

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

Our Mission

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

Who We Are

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

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

Afriland was borne out of United Bank for Africa Plc's ("UBA") decision to evolve into a commercial bank ring fenced from all other non-commercial banking activities. As a result of the restructuring, the Company owns all the excess real estate assets of UBA, via the execution of instruments transferring such assets.

The Company's aim is to provide adequate infrastructural development as well as to fully optimize and commercialize its existing real estate portfolio. Afriland targets two key customer segments; Residential and Commercial.

H.E.I.R.S

Hardwork

- Passionate about extraordinary results
- Discipline
- Commitment to excellence

Emotional Intelligence

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

Integrity

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

Resilience

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

Synergy

- Collaborating with colleagues
- Leveraging group relationships

31 December	2015 N'000	2014 N'000
Operating profit	2,326,207	1,613,151
	======	=====
Profit before taxation	1,726,259	1,744,958
Taxation	(572,760)	(235,729)
	--------------	---------------
Profit after taxation	1,153,499	1,509,229
	======	======
Earnings per share	N0.92	N1.27
	======	=====

31 December	2015 N'000	2014 N'000
Total assets	15,274,185	8,195,235
	======	======
Total equity	6,058,571	5,404,672
	======	======

Erelu Angela Adebayo
Chairman

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

She has cut her niche in the banking and real estate sectors of the economy. She is currently a Director in a leading real estate company and sits on the board of several companies including DN Meyer Plc, and Dangote Foundation.

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

Uzoamaka Oshogwe
Chief Executive Officer

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

She holds a BSc in Chemistry from Ambrose Alli University, Edo State and an MSc in Information Systems Design from the University of Westminster, London. She has over 20 years' working experience, mainly in Information Technology and Banking. Uzo also holds a professional certificate in Real Estate Management from Havard Business School.

Prior to joining UBA Properties, Uzo worked with UBA PLC, Ford Motors Uk, J.sainsburyUk and Accenture UK.

Olayinka Ogunsulire
Non-Executive Director

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

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

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

Samuel Nwanze
Non-Executive Director

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

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

Ike Ogbue
Non-Executive Director

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

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

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

Emmanuel Nnorom
Non-Executive Director

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

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

Henry Omoike
Head, Business Development

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

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

Mutiu Bakare
Chief Financial Officer

Mutiu Bakare is an astute finance professional with over 12 years' experience in Finance Management. He holds a B.sc in Accounting from the Obafemi Awolowo University , Ile Ife, Osun state, an MBA from the University of Leicester, UK and an M.Sc. in Finance and Investment from the University of Leeds, UK. He is a fellow of the Institute of Chartered Accountants of Nigeria.

Mutiu started his career in Finance with Akintola Williams Deloitte. He has also worked with KPMG Nigeria and recently with Shell Nigeria Closed Pension Fund Administrators Ltd.

Bassey Eka
Head, Projects Design

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

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

Eneni Halim
Head, Special Projects

Mrs. Halim has 30 years of combined working experience in the Construction Industry as a Quantity Surveyor/ Project Manager and the Banking Sector. She holds a B.Tech. Quantity Surveying from the Rivers State University of Science & Technology, Port Harcourt, Nigeria and an MPM, Project Management from University of Lagos.

She led Costing and Tendering team at UBA Properties Plc (Now Afriland Properties Plc.).She also worked at Construction Economist Partnership Ltd (CEP), as a full Partner and the lead Quantity Surveyor for the $400million Tinapa Business Resort Project in Calabar.

She is a Member of Nigerian Institute of Quantity Surveyors, Quantity Surveyors Registration Board of Nigeria and Project Management Institute Inc. Pennsylvania, USA.

Aminu Sarafa
Head, Project Management Office

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

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

Sunday Nwokeoji
Head, Technical Consultancy

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

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

Obong Idiong
Company Secretary

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

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

Dear Shareholders,

I am pleased to welcome you to the third Annual General Meeting of your Company to present to you, the annual reports and financial statements for the year ended 31 December, 2015.

On behalf of the Board of Directors, I am truly thankful for your support to the Board and Management of your Company throughout the financial year under review.

This report will focus on the operating environment during 2015, your Company's financial performance during the year as well as our activities and projections for 2016 fiscal year.

The Global Environment

The global economy in 2015 was characterized with uncertainty and pessimism. This was due largely to falling commodity prices, weak aggregate demand, increased volatility in the financial markets and the slowdown of Chinese economy. The global economy grew by a mere 2.4 percent and is expected to expand by 2.9 percent in 2016. Major emerging economies like Brazil and Russia fell into recession while Sub-Sahara African economy had a low growth rate.

The African economy grew by 3.8%, which was the lowest GDP growth in the past 5 years. The drop in the commodity prices, low foreign capital inflows and macroeconomic uncertainties placed pressure on the local currencies of many African countries.

It is noteworthy that democracy in Africa has come of age with a number of African countries experiencing peaceful, free and fair elections. These countries include Tanzania, Cote D'Ivoire and in particular, Nigeria.

Notwithstanding the events in the world economy, 2015 was a successful year for the real estate investors. A survey by Harvard University's Joint Center of Housing Studies revealed that real estate in 2015 provided a greater return on investment (ROI) than the NASDAQ, the S&P 500, the Dow Jones, gold or the average mutual fund. However, there are concerns about irrationality in real estate pricing and investor expectations.

The Local Economy

The local economy witnessed series of events that affected the key macroeconomic indicators during the year. The crude oil prices dropped by more than half during the year under review. This significantly affected the Nigerian economy as it is largely dependent on oil revenues. Due to the decline in oil revenues, the external reserves reduced by more than 15% to close at $29.07 billion by the end of 2015.

The economy equally witnessed a high supply gap in the foreign exchange market as demand for foreign currency outpaced supply. This was due largely to the reduction in the foreign reserve. As a result of this gap, there was immense pressure on the Naira, resulting in volatility and uncertainty in the foreign exchange market. The suspension of certain items from the official FX markets further increased the level of volatility in the market.

In the capital market, the All-Share Index (ASI) closed the year lower at 28,642.15 from an opening figure of 34,657.15, representing a 17.4 per cent decline. Similarly, market capitalization for listed equities was down in value to close the year at N9.85 trillion from opening value of N11.48 trillion, representing 14.2 per cent loss. The downward trend was attributed to the fall in the price of crude, declining foreign reserves, dwindling Naira value on the foreign exchange market and unstable global equity market.

Notwithstanding the economic challenges, the country saw many positive developments during 2015, one of which was the successful political transition following the peaceful general elections during the year. In addition, there was rapid progress in the military campaign against the activities of the Boko Haram sect and the Government's anti-corruption drive equally gained momentum.

The performance of Nigeria's real estate sector in 2015 was largely affected by the events in the larger economy. Nigeria's real estate post-rebasing has been seen to contribute significantly more to the nation's GDP than previously recorded. However, this contribution seems to have reduced showing only a 0.72% growth between 2013 and 2014, and remaining stagnant in 2015. The prices of residential properties dropped, post-election, affecting mostly the mid to high-end properties. During the year, the Central Bank of Nigeria suspended 41 items from the official FX markets thereby forcing traders dealing in these commodities to access forex from the ever expensive parallel market. Unfortunately, 46% of these items (19) are directly related to the real estate industry.

Financial Performance and Dividend

Despite the tough economy experienced in 2015, your Company was able to achieve an operating income of N2.33 billion for the financial year ended 31 December, 2015. This represents 45 percent above what was achieved in 2014 and is attributable to the increased level of activities in project directorate and project management, increased rental income and re-valuation gains on investment properties. We were equally efficient with our operating costs and therefore rigorously identified and eliminated excessive expenses in our operations, with the aim of preserving earnings growth for our shareholders. However, as a result of a provision of N0.63 billion made for the diminution in the value of our share investment, the Company achieved a profit before tax (PBT) of N1.73 billion and a profit after tax (PAT) of N1.15 billion for the financial year ended 31 December 2015. These are 1 percent and 24 percent respectively lower than the amount achieved in the previous year. I am very confident that there will be an improvement in the performance of the Nigeria capital market in the coming years and the provision made for decrease in share value will be reversed.

In view of this performance, the Board of Directors is proposing the sum of N499.6 million as dividend payment for the year ended 31 December 2015. This translates to 40 kobo per ordinary share. We hereby request your consideration and approval of this dividend proposal.

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

Activities during the year
While we faced some challenges in the redevelopment of the Falomo Shopping Mall, significant progress was made in most of our other projects. Examples of such projects are the Ughelli Power staff housing which is currently near completion, the renovation of the property known as Raymond House into a world class business office and which property was recently acquired by the Company and the completion of many business offices and residential buildings for our clients as well as for our own portfolio.

Outlook for 2016
The decline in the prices of oil provides the Nigerian government the opportunity to diversify the economy, reduce corruption in the oil and gas industry and pay more attention to other sectors of the economy outside the oil sector. If the government takes advantage of these opportunities, we expect the economy to grow by 3.8 percent driven by growth outside the oil sector.

The outlook for the Nigerian real estate market in 2016 will be largely dependent on the overall performance of the economy as the demand, supply and price of property is contingent on the well-being of occupiers, developers and investors. Activity in the real estate market is expected to accelerate as the government increases investment in power and housing projects. The market is currently valued at over N6.5 Trillion and is expected to grow at an average of 10% over the next few years. Apart from the expected government spending, other drivers of growth in the sector include increased institutional investment from local companies including PFAs and Mutual Funds; and, the growing population of High Net-worth Individuals. Your Company is closely following developments at all levels and is prepared to key into the opportunities that will be created in the sector. We are equally poised to take advantage of other structural reforms of the federal government, which might impact the housing and real estate sector.

Board Changes

There was no change to the Board of Directors during the year.

Conclusion
The Board would like to appreciate Mrs. Uzoamaka Oshogwe, the rest of her management team and all our hardworking and enterprising employees, for their dedication to duty and untiring efforts. I would like to thank my colleagues on the Board for their commitment to the cause of your Company and for working closely with the management team to ensure that your Company delivers on its promises and targets.

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

Erelu Angela Adebayo
Chairman, Board of Directors

Dear Investors,

It is with great pleasure that I welcome you all to the third Annual General Meeting of our company, Afriland Properties Plc. During this general meeting, we will evaluate our activities in 2015 and also intimate our highly valued stakeholders of our plans for the 2016 financial year.

All that we achieved in the year under review would not have been possible without our supportive shareholders, our loyal customers, who chose us over competitors, our dedicated staff members and a committed Board of Directors.

While there is still a lot we aim to achieve, we have made sustained and steady progress, giving credence to our strategy.

In 2015, your company continued to work towards achieving its business goals and objectives, which include:

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

2015 saw many events that stalled our economic growth. The decline in global oil prices exerted pressure on economies of oil producing countries such as Nigeria, with a barrel of oil costing as low as $37.04 per barrel as at December 31, 2015.

With 70 per cent of its revenue and 95 per cent of its foreign exchange earnings being dependent on the oil sector, , the Nigerian economy has been adversely impacted through severe exchange rate volatility, increase in unemployment rate and reduced accretions to the external reserve.

Despite these headwinds, we successfully kept your Company on a strong, stable trajectory and delivered a solid performance. The results in the fiscal year 2015 were possible due to our effectiveness, the strength of our core values, and our ability to deliver excellent and innovative real estate solutions to our clients.

The fundamentals of our business are strong as follows:

Team work
We recognize that nothing great is achieved in isolation and so we work together as a team to reach greater heights.

Our harmonized and cooperative efforts are in the interest of a common goal, which is to be Africa's leading Real Estate Company that creates long term value for all stakeholders.

Corporate Social Responsibility
Our commitment to corporate social responsibility stems from the belief that we are a part of the communities we serve. Giving back is a fundamental aspect of our Company's identity and values.

Service Delivery
We are guided by a set of principles, policies and standards, which enable us offer a consistent and satisfactory service experience to our clients. We connect with them, we communicate with them and we listen to them.

Performance
Our annual report and accounts have been prepared in conformity with International Financial Reporting Standards (IFRS) and this presents the operating results of the Company for the year ended December 31, 2015.

In line with our foundation of sound corporate governance and our adherence to regulatory standards, IFRS has provided a uniform and consistent basis of preparing our financial information for comparison and greater transparency.

We achieved commendable financial and operating results in the year ended December 31, 2015 as evidenced by various key performance indicators shown below.

Financial Performance (Revenue, Profit)
We recorded an operating profit of N2.33 Billion for the financial year ended December 31, 2015 as against N1.61 Billion in 2014. This represents about 45% over 2014. The income stream of the Company includes fees, commission and rental income. We also earned income from the optimization of non-core assets and idle bare-lands.

The Company achieved a profit before tax (PBT) ofN1.72 Billion for the financial year ended December 31, 2015. This is 1% lower when compared to N1.74 Billion for the year ended December 31, 2014. Profit after tax (PAT) attributable to the Company was N1.15 billion, which is 24% below the position of N1.51 billion for the year ended 31 December, 2014. The reduction in profit over prior year resulted from the diminution in the value of the Company's share investment and the increase in the level of tax provision.

Financial Position (Assets)
The Company's total assets stood at N15.27 Billionas at 31 December, 2015 showing an appreciable increase of 86% from N8.2 Billionas at 31 December, 2014. Also, the Shareholders' Funds rose from N5.4 Billion to N6.1 Billionrepresenting an increase of 13%. This increase in total assets and Shareholders' Funds are attributable to the values of our investment properties and profits realized from operations of the Company during the year.

Key Business Achievements and Overview
During the year under review, we completed new construction and renovation projects of business offices nationwide; we acquire the Raymond house building; we also renovated the Company's Guesthouse; completed and rented out many residential buildings.

We also repositioned your Company by rebranding in 2015; a well-executed plan to improve the public perception of the Company and distinguish us from competition. These include: renovation of our head office, logo change and also redesign of some of our brand carriers.

Outlook for 2016
While we expect a challenging operating environment in 2016, we have every reason to feel positive about our prospects and confident that we will become the 'Go-To' real estate company for all our stakeholders.

We also realize that in any economic downturn, there are opportunities. The opportunity here lies in the ability for us to revolutionize and persevere in order to stay relevant and more importantly, profitable.

In 2016, we will complete the upgrade and renovation of the newly acquired Raymond House. This will ensure an optimization of the future rental income from this property. We equally plan to develop some of our land and properties for residential and commercial purposes. These include our properties at:

Waziri Ibrahim, Victoria Island, Lagos
Ahmed Onibudo, Victoria Island, Lagos
Safe Sule, Lekki Phase I, Lagos
Egbeda, Lagos
Ipaja, Lagos
Apapa-Oshodi Expressway, Lagos
Abagana, Port Harcourt.

In addition, we are currently partnering with certain tertiary institutions for the development of hostel facilities under BOT arrangements.

Closing
Our sincere and profound appreciation goes to our esteemed and distinguished shareholders, the Board of Directors, the management and staff for their extraordinary commitment, loyalty and support. We continually reiterate our determination to achieve the Company's vision to be Africa's leading Real Estate Company that creates long term value for all stakeholders.

Thank you and God bless.

Uzoamaka Oshogwe
Chief Executive Officer

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

During the year ended December 31, 2015, Afriland complied with the provisions of the Code of Corporate Governance issued by the Securities & Exchange Commission (SEC Code) and all extant laws and regulations bordering on corporate governance.

During the period under review, the Company engaged the services of DCSL Corporate Services Limited to carry out an extensive Board evaluation exercise to ascertain the level of compliance by the Board, and by extension, the Company, with the SEC Code, the Company's Board Governance and Board Committees Governance Charter and international corporate governance best practices, the report of which forms part of this Annual Report.

The Board is of the opinion that the Company has in all material respects, complied with the requirements of the SEC Code and its own governance charters during the 2015 financial year.

1. OVERVIEW

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

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

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

The Company's approved corporate governance policies remained operational throughout the 2015 financial year as follows:

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

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

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

2. BOARD OF DIRECTORS

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

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

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

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

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

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

2.5 Proceedings and frequency of meetings
The Board meets at least once every quarter or as frequently as the Board's attention may be required on any situation which may arise. Sufficient notices with clear agenda/report are usually given prior to convening such meetings. All Directors have access to the Company Secretary who is appointed and removed by the Board and is also responsible to the Board. The details of Directors' attendance of Board meetings are disclosed on page 20 of the Annual Reports.

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

2.7 Reporting and Control

The Board is responsible for and ensures proper financial reporting as well as establishment of strong internal control procedures. The Company has consistently upgraded its internal control system to ensure the effective management of risks. The directors review the effectiveness of the internal control systems through regular reports, updates and reviews at the Risk & Governance Committee meetings.

The Board continually places emphases on risk management as an essential tool of achieving the Company's objectives by not only ensuring that the Company has robust risk management policies in place but also driving the continuous updates on such risk management policies to ensure the identification of new risk and ensuring effective risk control.

2.8 **Membership of the Board**

The Board of Directors of the Company comprised the following as at the end of the year:

Erelu Angela Adebayo	- Chairman
Mrs. Uzoamaka Oshogwe	- Chief Executive Officer
Mr. Ike Ogbue	- Non Executive Director
Mr. Samuel Nwanze	- Non Executive Director
Ms. Olayinka Ogunsulire	- Non Executive Director
Mr. Emmanuel Nnorom	- Non Executive Director

2.9 **Board Meeting Attendance**

The table below shows the frequency of meetings of the Board in 2015 and members' attendance:

Directors	Date of Meetings Held	No of meetings attended	Date of meetings not attended
Erelu Angela Adebayo	9th March, 2015 8th April, 2015 15th May, 2015 4th November, 2015 11th December, 2015	5	N/A
Mrs. Uzoamaka Oshogwe	9th March, 2015 8th April, 2015 15th May, 2015 4th November, 2015 11th December, 2015	5	N/A
Mr. Samuel Nwanze	9th March, 2015 8th April, 2015 15th May, 2015 4th November, 2015 11th December, 2015	5	N/A
Ms. Olayinka Ogunsulire	9th March, 2015 8th April, 2015 15th May, 2015 4th November, 2015 11th December, 2015	5	N/A
Mr. Ike Ogbue	9th March, 2015 8th April, 2015 15th May, 2015 4th November, 2015 11th December, 2015	4	8th April, 2015
Mr. Emmanuel Nnorom	9th March, 2015 8th April, 2015 15th May, 2015 4th November, 2015 11th December, 2015	5	N/A

N/A means "Not Applicable"

2.10 Board Committees

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

2.10.1 The Board Committees are as follows:

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

Establish procedures for the nomination of Directors.
Advise and recommend to the Board the composition of the Board.
Approve recruitments, promotions, redeployments and disengagements for the Company's heads of departments that make up the Executive Management Committee.
Review and evaluate the skills of members of the Board.
Recommend to the Board compensation for all staff members of the Company and subsidiary Boards.
Advise the Board on corporate governance standards and policies.
Review and approve all human resources, risk, internal control, governance and other policies for the Company.
Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.
Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
Monitor compliance of all legal and regulatory requirements.
Review Audit exception reports, fraud losses and make recommendations for control measures.
Ensure that risk assessments are performed on a continual basis.
Monitor and assess the integrity of the overall risk management framework of the Company.

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

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

The table below shows the frequency of meetings of the RGC in 2015 and members' attendance:

Directors	Date of Meetings Held	Number of meetings attended	Date of meetings not attended
Ms. Olayinka Ogunsulire	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A
Mr. Samuel Nwanze	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A
Mr. Ike Ogbue	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A
Mr. Emmanuel Nnorom	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A

2.10.3 **Finance & General Purpose Committee**

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

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

2.10.4 Membership of the Committee comprises four non-executive directors and the executive director as follows:

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

The table below shows the frequency of meetings of the F&GPC in 2015 and members' attendance:

Directors	Date of Meetings Held	Number of meetings attended	Date of meetings not attended
Mr. Samuel Nwanze	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A
Mrs. Uzoamaka Oshogwe	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A
Ms. Olayinka Ogunsulire	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A
Mr. Ike Ogbue	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A
Mr. Emmanuel Nnorom	4th March, 2015 15th May, 2015 4th November, 2015 8th December, 2015	4	N/A

2.10.5 Statutory Audit Committee

The Statutory Audit Committee (SAC) was set up in accordance with the provisions of the Companies and Allied Matters Act, CAP 20, 2004. It comprises of a mixture of Non-Executive Directors and ordinary shareholders elected at the secondAnnual General Meetingof the Company held on 8th April, 2015. Its terms of reference include the monitoring of processes designed to ensure compliance by the Company in all respects with legal and regulatory requirements, including disclosure, controls and procedures. It evaluates annually, the independence and performance of the External Auditors. The Committee also reviews with Management and the External Auditors, the annual audited financial statement before submission to the Board.

2.10.6 Membership of the Committee in 2015 comprises the following:

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

The table below shows the frequency of meetings of the SAC in 2015 and members' attendance:

Directors	Date of Meetings Held	Number of meetings attended	Date of meetings not attended
Mr. Ayodeji Adigun	4th March, 2015 15th May, 2015 4th November, 2015	3	N/A
Alhaji Wahab A. Ajani	4th March, 2015 15th May, 2015 4th November, 2015	3	N/A
Mrs. Shopeju E. Adetutu	4th March, 2015 15th May, 2015 4th November, 2015	3	N/A
Mr. Samuel Nwanze	4th March, 2015 15th May, 2015 4th November, 2015	3	N/A
Ms. Olayinka Ogunsulire	4th March, 2015 15th May, 2015 4th November, 2015	3	N/A
Mr. Ike Ogbue	4th March, 2015 15th May, 2015 4th November, 2015	3	N/A

N/A means "Not Applicable"

3. THE EXECUTIVE MANAGEMENT COMMITTEE

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

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

4. SHAREHOLDERS RIGHTS

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

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

FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors have pleasure in presenting to the members of Afriland Properties Plc ('Afriland" or "the Company") their report together with the audited financial statements for the year ended 31 December 2015.

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

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

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

Change in reporting framework
There have been no changes to the accounting policies adopted by the Company.

Results for the year

	2015 N'000	2014 N'000
Operating profit	2,326,207	1,613,151
	========	========
Profit before taxation	1,726,259	1,744,958
Taxation	(572,760)	(235,729)
	---------------	---------------
Profit after taxation	1,153,499	1,509,229
	========	========

Dividend
The Directors have recommended the payment of a dividend of 40 kobo per share amounting to N499.6 million (2014: 40 kobo per share amounting to N499.6 million) on the issued share capital of 1,249,000,000 shares of 50 kobo each for the year ended 31 December 2015. Withholding tax at the applicable rate will be deducted at the time of payment.

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Acquisition of own shares
The Company has not purchased any of its own shares during the year under review (2014: Nil).

Directors' interest in shares
The Directors who served during the year were as follows:

Director	Position
Erelu Angela Adebayo	Chairman
Uzoamaka Oshogwe	Chief Executive Officer
Olayinka Ogunsulire	Non-Executive Director
Ike Ogbue	Non-Executive Director
Samuel Nwanze	Non-Executive Director
Emmanuel Nnorom	Non-Executive Director

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

	Ordinary shares of 50 kobo each			
	31 December 2015		31 December 2014	
	Direct Holding	Indirect Holding	Direct Holding	Indirect Holding
Erelu Angela Adebayo	4,963	-	4,963	-
Uzoamaka Oshogwe	760,117	-	760,117	-
Olayinka Ogunsulire	226	-	226	-
Ike Ogbue	40,000	-	-	-
Samuel Nwanze	17,457	-	17,023	-
Emmanuel Nnorom	317,647	31,268	317,647	-

Directors' interest in contracts
None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any discloseable interest in contracts with which the Company is involved as at 31 December 2015 (2014: Nil).

FOR THE YEAR ENDED 31 DECEMBER 2015

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

	2015		2014	
	Numbers of Shares	%	Numbers of Shares	%
ED & M Investment Limited	93,621,197	7.50	93,621,197	7.50
Ocean Date Limited	71,471,056	5.72	71,471,056	5.72
Consolidated Trust Funds Limited	63,281,341	5.07	63,281,341	5.07

Shareholding range analysis

The shareholding range analysis as at 31 December 2015 is shown below:

Range	No. of Holders	Holders %	Holders Cum.	Unit	units %	Units Cum
1 - 10,000	277,034	98.61	277,034	130,043,408	10.41	130,043,408
10,001 - 50,000	3,111	1.11	280,145	65,217,696	5.22	195,261,104
50,001 - 100,000	391	0.14	280,536	28,017,737	2.24	223,278,841
100,001 - 500,000	278	0.10	280,814	55,174,858	4.42	278,453,699
500,001 - 5,000,000	82	0.03	280,896	119,935,741	9.60	398,389,440
5,000,001 - 50,000,000	23	0.01	280,919	277,386,295	22.21	675,775,735
50,000,001 – 200,000,000	9	0.00	280,928	573,224,265	45.89	1,249,000,000
	280,928	100		1,249,000,000	100	

Charitable contributions and donations
The Company made contribution to charities of N8, 571,208 during the year ended 31 December 2015 (2014: N85, 711,385). The donation was for various Corporate Social Responsibility (CSR) engagements.

Employment and Employees

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

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

FOR THE YEAR ENDED 31 DECEMBER 2015

Employees' Interest and Training

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

Events after the reporting date

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

Format of financial statements

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

Auditors

Ernst & Young have expressed their willingness to continue in office as the Company's auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

BY ORDER OF THE BOARD

OBONG IDIONG
COMPANY SECRETARY
FRC/2014/NBA/00000004696

10 March, 2016

FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

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

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December 2015. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Erelu Angela Adebayo
Chairman
FRC/2014/IODN/00000007796

10 March, 2016

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

10 March, 2016

TO MEMBERS OF AFRILAND PROPERTIES

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

The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359(6) of CAMA;

We have examined the auditor's report including the financial statements for the year ended 31st December, 2015;

We have deliberated with the external auditors, reviewed their findings and recommendations and confirm that the auditors report for this period is consistent with our review; and

We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.

AYODEJI ADIGUN
CHAIRMAN, AUDIT COMMITTEE

March 10, 2016

Members of the Audit Committee

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

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Phase II, Port Harcourt

RC NO. 352393

March, 2016

REPORT OF THE EXTERNAL CONSULTANTS ON THE EVALUATION OF THE BOARD OF DIRECTORS OF AFRILAND PROPERTIES PLC. FOR THE YEAR ENDED 31 DECEMBER 2015

Section 15 of the **Securities and Exchange Commission (SEC) Code of Corporate Governance ("the Code")**, makes it mandatory for the Boards of all public companies to conduct yearly appraisal of their performance and that of the Committees. To give effect to this provision, the Board of Afriland Properties Plc. engaged DCSL Corporate Services Limited as External Consultants to carry out an evaluation of the Board for the period ended 31st December 2015. The essence of the evaluation was to benchmark the Board's performance against the provisions of the Code and global best practice, and to make recommendations to the Board on remedial actions to be taken to improve its performance where necessary.

It is part of the Board's oversight role to define the Company's strategy, monitor the performance of Management, and ensure that an effective internal control and risk management system is in place. Our responsibility as Consultants is to draw conclusions on how effectively the Board has performed its oversight function during the year ended 31st December, 2015. Following our review, we have provided details of our findings, highlighted areas of improvement and made recommendations aimed at further improving the performance of the Board of its oversight functions.

We confirm that the Board of Afriland Properties Plc. is composed of Directors with the relevant skills and competencies and of an appropriate mix in terms of relevant experience. The Directors are diligent and they take their oversight functions very seriously. We note that the Board operates an efficient Committee system that sees each Director effectively participating in the Board Committees.

Yours faithfully,
For: DCSL Corporate Services Ltd

Bisi Adeyemi
Managing Director

DCSL
DCSL Corporate Services Limited

Directors: ▪ Abel Ajayi (Chairman) ▪ Obi Ogbechi ▪ Seni Ogunsanya ▪ Adebisi Adeyemi (Managing Director)

EY

Report on the financial statements

We have audited the accompanying financial statements of Afriland Properties Plc, which comprise the statement of financial position as at 31 December 2015, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Afriland Properties Plc as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

EY

Report on Other Legal and Regulatory Requirements

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

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

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

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

Yusuf Aliu, FCA
FRC/2014/ICAN/00000000138
For: Ernst &Young
Chartered Accountants
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A0952991

10 March, 2016

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 N'000	2014 N'000
Fees and commission	5	667,596	359,988
Project development income	6	138,660	373,360
Rental income	6.1	546,932	357,088
Revenue		**1,353,188**	**1,090,436**
Other operating income	7	1,332	2,093
Administrative expenses	8	(652,635)	(1,007,168)
Profit on disposal of investment properties		83,525	305,422
Valuation gains from investment properties	13	1,540,797	1,222,368
Net gains on investment properties		1,624,322	1,527,790
Operating profit		**2,326,207**	**1,613,151**
Finance income	9	785,237	205,882
Finance cost	9.1	(755,185)	(74,075)
Impairment loss on available-for-sale financial asset	15	(630,000)	-
Profit before taxation		**1,726,259**	**1,744,958**
Income tax expense	10	(572,760)	(235,729)
Profit for the year		**1,153,499**	**1,509,229**
Other comprehensive income:			
Other comprehensive income		**-**	**-**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year, net of tax		**1,153,499**	**1,509,229**
Earnings per share:			
Basic/ diluted earnings per share (Naira)	11	N0.92	N1.27

See notes to the financial statements.

AS AT 31 DECEMBER 2015

	Notes	2015 N'000	2014 N'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	280,944	275,680
Investment properties	13	6,005,250	3,467,980
Goodwill and other intangible assets	14	852,105	853,779
Available-for-sale financial assets	15	870,000	1,500,000
Prepayment	16	5,200	10,400
		8,013,499	**6,107,839**
Current assets			
Trade and other receivables	17	666,249	133,205
Other financial assets	18	5,816,124	1,787,962
Prepayments	19	8,288	8,614
Cash and cash equivalents	20	770,025	157,615
		7,260,686	**2,087,396**
Total assets		**15,274,185**	**8,195,235**
Equity and liabilities			
Equity			
Issued share capital	21	624,500	624,500
Share premium	21	3,039,618	3,039,618
Retained earnings		2,394,453	1,740,554
Total equity		**6,058,571**	**5,404,672**
Non-current liabilities			
Deferred income	23.3	71,733	67,648
Deferred taxation	24.2	476,842	164,523
Interest-bearing loans and borrowings	25	2,449,046	1,381,110
		2,997,621	**1,613,281**

AS AT 31 DECEMBER 2015

	Notes	2015 N'000	2014 N'000
Current liabilities			
Trade and other payables	22	1,312,610	800,892
Interest-bearing loans and borrowings	25	4,112,577	-
Bank overdraft		76	-
Deferred income	23	414,853	207,024
Income tax payable	24.1	377,877	169,366
		6,217,993	**1,177,282**
Total liabilities		**9,215,614**	**2,790,563**
Total equity and liabilities		**15,274,185**	**8,195,235**

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

Erelu Angela Adebayo
Chairman
FRC/2014/IODN/00000007796

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

Mutiu Bakare
Chief Financial Officer
FRC/2016/ICAN/00000014111

See notes to the financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2015

	Issued capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
As at 1 January 2015	**624,500**	**3,039,618**	**1,740,554**	**5,404,672**
Total comprehensive income for the year	-	-	1,153,499	1,153,499
Total comprehensive income	-	-	1,153,499	1,153,499
Cash dividend (Note 21.3)	-	-	(499,600)	(499,600)
At 31 December 2015	**624,500**	**3,039,618**	**2,394,453**	**6,058,571**
As at 1 January 2014	**500,000**	**1,996,000**	**331,325**	**2,827,325**
Total comprehensive income for the year	-	-	1,509,229	1,509,229
Total comprehensive income	-	-	1,509,229	1,509,229
Cash dividend (Note 21.3)	-	-	(100,000)	(100,000)
Issue of share capital (Note 21)	124,500	1,043,618	-	1,168,118
At 31 December 2014	**624,500**	**3,039,618**	**1,740,554**	**5,404,672**

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 N'000	2014 N'000
Operating activities			
Cash receipts from customers		1,079,040	1,301,093
Payment to suppliers/ employees		(4,138,076)	(2,356,688)
VAT paid		(47,590)	(39,274)
	27	**(3,106,626)**	**(1,094,869)**
Income tax paid	24.1	(51,929)	(44,649)
Net cash flow used in operating activities		**(3,158,555)**	**(1,139,518)**
Investing activities			
Purchase of property, plant and equipment	12	(18,119)	(264,511)
Purchase of intangible assets	14	(909)	(12,456)
Purchase of investment properties	13	(1,048,953)	(40,674)
Purchase of available-for-sale investment	15	-	(1,500,000)
Proceeds from disposal of investing properties (net)		127,905	432,450
Interest received	9	30,052	131,807
Net cash flow used investing activities		**(910,024)**	**(1,253,384)**
Financing activities			
Dividend paid	21.3	(499,600)	(100,000)
Proceed from long-term loan		5,180,513	1,381,110
Net cash flow from financing activities		**4,680,913**	**1,281,110**
Net increase/ (decrease) in cash and cash equivalents		612,334	(1,111,792)
Cash and cash equivalents at 1 January		157,615	1,269,407
Cash and cash equivalents at 31 December	20	**769,949**	**157,615**

See notes to the financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2015

1. Corporate information

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

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

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as approved by the Financial Reporting Council of Nigeria Act No 6, 2011 and in accordance with Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The financial statements were authorised for issue by the Directors on 10 March 2016.

b. Income and cash flow statement

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

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

c. Functional and presentation currency

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

d. Basis of measurement

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

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

e. Significant accounting judgments, estimates and assumptions

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

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of available-for-sale investments

The company records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Company evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

The impairment loss on available-for-sale investments is disclosed in more detail in Note 15.

Going concern

The company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Operating lease contracts – the Company as lessor

The company has entered into commercial property leases on its investment property portfolio. The company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

e. Significant accounting judgments, estimates and assumptions

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

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

External

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

Internal
Using an open market valuation method, the following factors were considered:

A willing buyer;
A reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
No account is to be taken of an additional bid by a special purchaser; and
The properties shall be freely exposed to the market

Further details of fair value of investment properties are disclosed in Note 13.

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

The accounting policies have been applied consistently by the Company.

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

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

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

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

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

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

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

b. Operating segments

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

c. Investment properties

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

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

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

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

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

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

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

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

c. Investment properties – Continued

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

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

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

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

d. Property, plant and equipment

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

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

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

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

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

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

e. Intangible assets

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

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

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

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

Computer software - 3 years

f. Cash and cash equivalents

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

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

g. Trade receivables and prepayments

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

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

h. Trade and other payables

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

i. Share capital and reserves

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

Share issue costs

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

Dividend on ordinary shares

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

j. Employee benefits

I. Post-employment benefits

Defined contribution plans

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

For defined contribution plans, the Company pays contributions to Pension Fund Administrators on a statutory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The Company operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2015. The employer and the employee contributions are 10% and 8% respectively of the qualifying employee's salary.

ii. Short-term benefits

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

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

k. Deferred income

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

l. Revenue recognition

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

Project development income

Revenue from third party project supervision (such as branch offices facelift supervision) is recognised as revenue in proportion to the stage of completeness of the transaction at the reporting date.

I. Revenue recognition - Continued

Rental income

The company is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

Fees and commission

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

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

Service charges, management charges and other expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in Net rental income gross of the related costs, as the Directors consider that the Company acts as principal in this respect.

Other income

Sale of property

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

Interest

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

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

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

m. Income tax expense

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

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

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

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

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

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

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

n. Cash dividend

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

o. Borrowing costs

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

p. Fair value measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

q. Financial instruments – initial recognition and subsequent measurement

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

I). Financial assets

Initial recognition and measurement

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

q. Financial instruments – initial recognition and subsequent measurement – Continued

Subsequent measurement

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

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

Loans and receivables

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

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

Available-for-sale (AFS) financial assets

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

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

De-recognition of financial assets

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

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

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

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

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

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

Impairment of financial assets

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

Impairment of financial assets – Continued

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

Financial assets carried at amortised cost

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

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

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

i). Financial liabilities

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

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

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

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

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

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

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

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

r. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

r. Impairment of non-financial assets – Continued

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

s. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Rental income is recognised as revenue on a straight line basis over the lease term.

Standards issued but not yet effective

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

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Company is in the process of assessing the impact adoption of IFRS 9 will have on the classification, measurement and impairment of the Company's financial assets: This standard will have impact on the classification and measurement of financial assets of the Company. It will also have impact on the impairment of financial assets.

Standards issued but not yet effective – Continued

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

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

Annual Improvements 2012 – 2014 Cycle
These improvements are effective for annual periods beginning on or after 1 January 2016. They include:
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively. This amendment is not expected to have any impact on the Company.

IAS 19 Employee Benefits
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively. The Company is still assessing the impact of this amendment.

Standards issued but not yet effective – Continued

IFRS 7 Financial Instruments: Disclosures
(i) Servicing contracts
The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.
(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements
The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

These amendments are not expected to have any impact on the Company.

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

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

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

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

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

Standards issued but not yet effective – Continued

IFRS 16 - Leases
Effective for annual periods beginning on or after 1January 2019. Early application is permitted, but not
before an entity applies IFRS 15. The key features of the amendment are:

- The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17.
- Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately.
- The new standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).
- Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events.
- Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach.

The company is still assessing the impact of this amendment.

IAS 12 – Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The amendment clarifies the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify:

- The requirements relating to recovery of an asset for more than its carrying amount in a way that enhances understanding and reduces the risk of an arbitrary estimate of probable future taxable profit was revised
- The standard clarify that taxable profit excluding tax deductions used for assessing the utilization of deductible temporary differences is different from taxable profit on which income taxes are payable

The amendment is effective for annual periods beginning on or after 1 January 2017.

The company is still assessing the impact of this amendment.

Standards issued but not yet effective – Continued

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28
Effective for annual periods beginning on or after 1 January 2016. The amendments must be applied retrospectively. Early application is permitted and must be disclosed

The amendments address three issues that have arisen in applying the investment entities exception under IFRS 10.

The amendments to IFRS 10 clarify that the exemption in paragraph 4 of IFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments will not impact the Company's financial statements presentation.

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments must be applied prospectively. Early application is permitted and must be disclosed. The effective date of this amendment has been deferred indefinitely by amendments made in December 2015 until such time as it has finalised any amendments that result from its research project on the equity method.

These amendments will not impact the Company's financial statements presentation.

Standards issued but not yet effective – Continued

IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27
Effective for annual periods beginning on or after 1 January 2016 and it must be applied retrospectively, early application is permitted and must be disclosed.

The amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IFRS 9 (or IAS 39)

  Or
- Using the equity method

The entity must apply the same accounting for each category of investment.

A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

These amendments will not impact the Company's financial statements presentation.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell.

Standards issued but not yet effective – Continued

For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company as the Company does not have any bearer plants.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Company is an existing IFRS preparer, this standard would not apply.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Company is an existing IFRS preparer, this standard would not apply.

4. Business combinations

Acquisitions in 2014

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

	Fair value Recognised on acquisition N'000
Assets	
Property, plant and equipment (Note 12)	6,971
Falomo project cost	300,000
Trade receivables	18,826
	325,797
Liability	
Trade payables	(150)
	(150)
Total identifiable net assets at fair value	325,647
Goodwill arising on acquisition (Note 14)	842,471
Purchase consideration transferred	**1,168,118**

During the year ended 31 December 2014 Afriland Properties Plc acquire 100% shares of Heirs Real Estate (HRE) and the assets and liabilities of HRE was transferred into Afriland's book and HRE was subsequently deregister. HRE is no longer a separate legal entity.

The goodwill of N842,471 comprises the value of expected synergies arising from the acquisition, which is not separately recognised.

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

		2015 N'000	2014 N'000
5.	**Fees and commission**		
	Facility management	43,544	34,200
	Agency	46,243	51,491
	Project directorate	360,490	131,323
	Project management	215,414	139,120
	Advance Payment Guarantee (APG)	1,905	3,854
		667,596	359,988

		2015 N'000	2014 N'000
6.	**Project development income**	138,660	373,360

Project development income represents revenue derived from the execution of facelifts for a customer's offices. The income is for supervision on-going renovation of branch offices.

		2015 N'000	2014 N'000
6.1	**Rental income**		
	Service charge	4,752	8,877
	Rental income	542,180	348,211
		546,932	357,088

There is no contingent rental income during the year ended 31 December 2015 (2014: Nil).

6.2 **Operating leases – Company as lessor**

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

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

	2015 N'000	2014 N'000
Within 1 year	189,533	112,059
After 1 year, but not more than 5 years	71,733	80,383
	261,266	192,442

		2015 N'000	2014 N'000
7.	**Other operating income**	**1,332**	2,093
		====	====

Other operating income was derived from non-core business activities like sales of tiles.

		2015 N'000	2014 N'000
8.	**Administrative expenses**		
	Staff costs	303,149	275,327
	Depreciation (Note 12)	12,855	10,317
	Amortisation (Note 14)	2,583	1,148
	Other administrative expenses (Note 8.1)	325,948	497,613
	Write-off of investment properties (Note 14)	8,100	222,763
		------------	---------------
		652,635	1,007,168
		======	========
8.1	**Other administrative expenses**		
	Advertising and publicity	24,748	7,179
	Annual General Meeting (AGM) expenses	67,917	114,168
	Audit fee	6,300	6,300
	Bank charges	118	376
	Consultancy and professional fees	10,770	32,930
	Directors emoluments	16,444	22,168
	Donations	8,571	85,711
	Employee car allowance (Note 16)	5,200	5,200
	Entertainment	4,691	597
	Information system	5,106	4,532
	Insurance	971	1,058
	ITF levy	2,600	2,600
	Land use charge	3,984	3,372
	Newspapers and periodicals	21	27
	NSITF and NHF levy	4,056	4,041
	Printing and stationeries	330	764
	Rent and rates	1,557	418
	Repairs and maintenance	25,115	18,126
	Security expenses	11,386	11,663
	Subscriptions	489	1,334
	Taxes – others	-	29,438
	Technical service fees	110,526	121,053
	Telephone and communication	2,679	2,547
	Travel and transport	9,171	10,951
	Training and development	3,198	4,089
	Loss on disposal of property, plant and equipment	-	6,971
		------------	-----------
		325,948	497,613
		======	======

		2015 N'000	2014 N'000
9.	**Finance income**		
	Interest income on bank placements	25,568	131,807
	Interest income on staff loan	4,484	-
	Interest income on loan to Falomo Shopping Centre	755,185	74,075
	Interest income on bank placements	785,237	205,882
9.1	**Finance cost**		
	Interest expense on borrowings	755,185	74,075

Nature of the reclassification
This involves reclassification between finance cost and finance income. This reclassification does not impact the bottom line, it is just a movement between interest income and interest cost.

The amount of each items reclassified relating to 2014 is N74.075 million.

The reason for the reclassification
The reclassification relates to interest on borrowings obtained from United Bank for Africa which was back charged to Falomo Shopping Center. The interest was directly capitalised to advance to Falomo Shopping Center in prior year and in the same vein interest income of the same value was not recognised. This had nil impact on the profit for the year.

10. **Income tax expense**

	2015	2014
Profit or loss		
Current income tax:		
Company income tax	236,336	90,893
Education tax	15,752	13,625
Capital gains tax	8,353	30,542
Current year income tax charge (Note 24.1)	260,441	135,060
Deferred tax:		
Relating to origination of temporary difference (Note 24.2)	312,319	100,669
Total income tax expense reported in profit or loss	572,760	235,729

10.1 Reconciliation of effective tax rate

Profit before taxation	1,726,259	1,744,958
	========	========
Tax at Nigeria statutory income tax of 30%	517,877	523,487
Impact of disallowable expenses for tax purpose	198,633	51,861
Effect of lower tax rate on fair value gain on investment	(85,419)	(36,671)
Utilisation of previously unrecognised tax credits	(184,943)	(347,115)
Tax impact on 2014 dividend above assessable profit	102,507	-
Impact of Education tax	15,752	13,625
Impact Capital gains tax	8,353	30,542
	------------	-----------
	572,760	235,729
	======	======

10.2 Deferred tax expense

Deferred tax relates to the following:

Accelerated depreciation for tax purposes	(3,670)	8,639
Revaluation of investment properties to fair value	315,989	92,030
	-----------	-----------
Deferred tax expense	312,319	100,669
	======	======

11. **Basic/ diluted earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

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

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

	2015	2014
	N'000	N'000
Profit for the year attributable to ordinary equity holders	1,153,499	1,509,229
	========	========
	Number '000	Number '000
Weighted number of ordinary shares for basic earnings per share	1,249,000	1,186,750
	========	========
Basic/ diluted earnings per share (Naira)	N0.92	N1.27

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

12. Property, Plant and equipment

	Freehold Land N'000	Freehold Building N'000	Plant and Machinery N'000	Furniture, Fittings and Equipment N'000	Motor Vehicles N'000	Computer Equipment N'000	Total N'000
Cost:							
At 1 January 2014	-	-	2,657	5,037	18,145	1,101	26,940
Additions	174,139	75,861	-	8,211	-	6,300	264,511
Acquisition via business combination	-	-	-	-	6,891	80	6,971
Disposals	-	-	-	-	(6,891)	(80)	(6,971)
At 31 December 2014	**174,139**	**75,861**	**2,657**	**13,248**	**18,145**	**7,401**	**291,451**
Additions	**-**	**16,329**	**-**	**1,049**	**741**	**-**	**18,119**
At 31 December 2015	**174,139**	**92,190**	**2,657**	**14,297**	**18,886**	**7,401**	**309,570**
Accumulated depreciation:							
At 1 January 2014	-	-	1,329	1,390	2,282	453	5,454
Charge for the year	-	129	1,328	3,189	4,546	1,125	10,317
At 31 December 2014		129	2,657	4,579	6,828	1,578	15,771
Charge for the year	-	1,568	-	4,255	4,516	2,516	12,855
At 31 December 2015	-	1,697	2,657	8,834	11,344	4,094	28,626
Net book value:							
At 31 December 2015	174,139	90,493	-	5,463	7,542	3,307	280,944
At 31 December 2014	174,139	75,732	-	8,669	11,317	5,823	275,680

		2015 N'000	2014 N'000
13.	**Investment properties**		
	At 1 January	3,467,980	2,554,729
	Additions (subsequent expenditure)	1,048,953	40,674
	Disposals	(44,380)	(127,028)
	Write-off (Note 13b)	(8,100)	(222,763)
	Net gain from fair value adjustments	1,540,797	1,222,368
	At 31 December	6,005,250	3,467,980

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

As at 31 December 2015, the fair values of the properties are based on valuations performed by external professional, Emma Ezeama & Company, a firm of Chartered Estate Surveyors and an accredited independent valuer with a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied after making the following assumptions:

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

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

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

13. **Investment properties – Continued**

13.1 Some of the investment properties were revoked by Government while some could not be located. The costs of such properties were written-off during the year N8,100,000 (2014: N222,763,330).

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

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

	2015 N'000	2014 N'000
Rental income derived from investment properties	546,932	357,088
Direct operating expenses (including repairs and maintenance) generating rental income (included in administrative expenses)	(10,489)	(1,755)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in admin expense)	(7,617)	(19,578)
Profit arising from investment properties carried at fair value	528,826	335,755

Types of Investment properties	Valuation technique	Significant unobservable inputs
Office properties	The investment approach was used based on the income derivable from the property in arriving at the market value of the property. The company's title document has been perfected.	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties. The price range used per square metre are N20,000 – N75,000
Residential properties	The depreciated replacement cost of the buildings/structure has been assessed by the contractors test method based on current building/construction cost indices taking into account the condition, age, qualities, features and characteristics of the buildings/structures.	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties. The price range used per square metre are N10,000 – N55,000
Bared lands.	The value of the landed property was arrived at using market data approach after a thorough analysis of recent sales transaction of similar sites in comparable locations. The company's title document has been perfected.	The significant unobservable inputs used are; - Area of square meters - Rate of development in the area - Quality of the land - The land are free from all onerous encumbrances and or charges - The lands are not subject to any compulsory acquisition or road widening scheme.

	Goodwill N'000	Computer Software N'000	Asset-in-Progress N'000	Total N'000
14. **Intangible assets**				
Cost:				
At 1 January 2014	-	-	-	-
Additions	842,471	6,917	5,539	854,927
At 31 December 2014	842,471	6,917	5,539	854,927
Additions	-	909	-	909
At 31 December 2015	842,471	7,826	5,539	855,836
Amortization/impairment:				
At 1 January 2014	-	-	-	-
Charge for the year	-	1,148	-	1,148
At 31 December 2014	-	1,148	-	1,148
Charge for the year	-	2,583	-	2,583
At 31 December 2015	-	3,731	-	3,731
Net book value:				
At 31 December 2015	842,471	4,095	5,539	852,105
At 31 December 2014	842,471	5,769	5,539	853,779

Goodwill acquired through business combinations is allocated to the following CGUs, which are operating and reportable segments, for impairment testing;

Carrying amount of goodwill allocated to each of the CGUs. These are operating and reportable segments:

	2015 N'000	2014 N'000
Facilities Management	169,757	-
Project Development	186,560	-
Business Development	465,361	-
Others	20,793	-
	842,471	-

The company performed its annual impairment test in December 2015. The company considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2015, the market capitalisation of the Company was above the book value of its equity.

14. **Intangible assets – Continued**

Facilities Management CGU

The recoverable amount of the facilities management CGU, N1.573 billion as at 31 December 2015, it has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 25%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 10% for the years 2016 – 2020 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceed the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment charged as at 31 December 2015.

Project Development CGU

The recoverable amount of the project management CGU, N1.487 billion as at 31 December 2015, it has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 25%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 10% for the years 2016 – 2020 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceed the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment charged as at 31 December 2015.

Business Development CGU

The recoverable amount of the business development CGU, N4.636 billion as at 31 December 2015, it has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 25%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 10% for the years 2016 – 2020 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceed the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment charged as at 31 December 2015.

14. **Intangible assets – Continued**

Others CGU

The recoverable amount of the other CGU, N170 million as at 31 December 2015, it has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 25%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 10% for the years 2016 – 2020 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use exceed the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment charged as at 31 December 2015.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for facilities management, project development, business development and other units is most sensitive to the following assumptions:

Gross margins
Discount rates
Growth rates used to extrapolate cash flows beyond the forecast period

Gross margins - Gross margins are based on average values achieved in the two years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements. An increase of 25% per annum was applied for the all the CGUs.

Decreased demand can lead to a decline in the gross margin. A decrease in the gross margin of 7.0% would result in impairment in the business development segment. A decrease in the gross margin of 35.0% would result in impairment in the project development segment. A decrease of 50.0% and 55.0% in the gross margin would result in impairment in other and facility management segment respectively.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

The WACC takes into account equity. The cost of equity is derived from the expected return on investment by the Company's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in the pre-tax discount rate to 26.0% and 61.0% (i.e. +1.0% and +36.0%) in the business development and facility management segment respectively would result in impairment. A rise in the pre-tax discount rate to 38.0% and 57.0% (i.e. +13.0% and +32.0%) in the project management and other segment respectively would result in impairment.

14. **Intangible assets – Continued**

Growth rate estimates - Rates are based on published industry research.

Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of 10% for the all units. A reduction to 2% in the long-term growth rate in the Facilities Management unit would result in impairment. For the Project Development unit, Business Development and Others units a reduction to 0%, 5% and a decline of 17% in the long-term growth rate would result in impairment.

15. Available-for-sale financial assets

Available-for-sale financial assets represent the Company's investment in equity shares of listed Company. The Fair value of these quoted equity shares are determined by reference to published price quotations in an active market.

	2015 N'000	2014 N'000
At 1 January	1,500,000	-
Additions	-	1,500,000
Impairment loss during the year	(630,000)	-
	-----------	------------
At 31 December	870,000	1,500,000
	======	========
Available-for-sale at cost		-
At Cost (150 million units x N10.00)	1,500,000	1,500,000
At Market value (150 million units x N5.58)	(870,000)	(1,500,000)
	------------	------------
Impairment loss on available-for-sale financial asset	630,000	-
	======	======

Impairment on available-for-sale investments

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

Based on these criteria, the Company identify impairment of N630 million (2014: Nil) on available-for-sale investments in quoted equity shares for the year.

		2015	2014
16.	**Prepayments (non-current)**	N'000	N'000
	Prepaid employees' car allowance	5,200	10,400
		=====	======

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

	2015	2014
	N'000	N'000
At 1 January	15,600	20,800
Addition during the year	-	-
	-----------	----------
	15,600	20,800
Charged to profit or loss (Note 8.1)	(5,200)	(5,200)
	----------	---------
At 31 December	10,400	15,600
	=====	=====
Current (Note 19)	5,200	5,200
Non-current	5,200	10,400
	----------	----------
At 31 December	10,400	15,600
	=====	=====

17. **Trade and other receivables**

Trade receivables	512,251	15,571
Rent receivables	-	3,970
Due from related parties (Note 26)	19,395	28,680
Withholding tax receivable	119,010	61,918
Receivable from sale of tiles	7,222	13,600
Sundry debtors	8,371	9,466
	------------	-----------
	666,249	133,205
	======	=======

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

N403.58m of the Trade Receivables balance as at year end is receivable from a customer and is related to N466.78m Rent Received (Note 22) on behalf of the same customer. These balances are reconciled after year end.

As at 31 December, the analysis of rent and trade receivables that were past due but not impaired is set out below:

	Total	Neither past due nor impaired	Past due but not impaired	< 30 days	31 - 90 days	91 - 180 days	> 180 days
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
2015	512,251	136,580	375,671	6,605	358,402	10,664	-
2014	15,571	-	-	5,089	-	10,482	-

		2015	2014
18.	**Other financial assets**	N'000	N'000
	Financial assets at amortised cost		
	Advance to contractors	250,918	153,045
	Loan to staff	27,858	26,982
	Loan to Falomo Shopping Centre	5,537,348	1,607,935
		5,816,124	1,787,962

The advance to contractors represents payments made to contractors in respect of various ongoing projects in which the Company is an agent.

Loans and receivablesare non-derivative financial assets carried at amortised cost which generate a fixed interest income for the Company.

Loan to Falomo Shopping Centre Development Company Limited represent payment for the development of the Falomo Shopping Mall, a specific loan was obtained from the bank and interest on the loan is back charged to Falomo Shopping Centre. Included in the loan to Falomo Shopping Centre is N755,185,475 (2014: N74,074,670) interest that was back charged. This attract an average interest rate of 19.5% and is payable within 12 months.

The N5.54 billion loan granted to Falomo Shopping Centre is an advance payment to contractors for the development of the Falomo Shopping Mall (the "Project"). Afriland Properties Plc and the Lagos State Development and Property Corporation (LSDPC), acting on behalf of the Lagos State Government, established a Special Purpose Vehicle (SPV) which is jointly owned by the parties for the specific purpose of developing the Falomo Shopping Mall. Under the terms of the Joint Venture Agreement, the SPV- Falomo Shopping Centre Development Company Ltd – was granted a concession to develop, build, operate and maintain the Project on a Build, Operate and Transfer (BOT) basis. Recently, the Lagos State Government indicated its intention to revoke the concession. The management of Afriland is currently in discussions with the Lagos State Government on how the issues surrounding the Project can be amicably resolved.

		2015	2014
		N'000	N'000
19.	**Prepayments (current)**		
	Health insurance	2,775	2,472
	Motor vehicles insurance	313	567
	Software licence fees	-	375
	Employee car allowance (Note 16)	5,200	5,200
		8,288	8,614
20.	**Cash and cash equivalents**		
	Cash at bank	12,984	32,224
	Short-term deposits	757,041	125,391
	Cash equivalents	770,025	157,615
	Bank overdraft	(76)	-
	Cash and cash equivalents	769,949	157,615

20. **Cash and cash equivalents – Continued**

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

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

	2015	2014
21. Share capital and share premium	N'000	N'000
21.1 Share capital		
Authorised share capital		
1,350,000,000 ordinary shares of 50k each	675,000	675,000
	======	======

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

	2015	2014
Issued share capital	N'000	N'000
At 1 January (1,249,000,000 (2014: 1,000,000,000) ordinary shares of 50k each)	624,500	500,000
Issued during the year (Nil (2014: 249,000,000 ordinary shares of 50k each))	-	124,500
	------------	------------
At 31 December (1,249,000,000 ordinary shares of 50k each)	624,500	624,500
	======	======

In 2014, the Company issued 174,300,000 and 74,700,000 ordinary shares of 50k each to Heirs Holdings Limited and Mrs. Awele Vivien Elumelu respectively at N4.69k in accordance with the scheme of merger between Heirs Real Estate Limited and Afriland Properties Plc.

	2015	2014
21.2 Share premium	N'000	N'000
At 1 January	3,039,618	1,996,000
Issuance of share on business combination Heirs Real Estate	-	1,043,618
	---------------	----------------
At 31 December	3,039,618	3,039,618
	========	========

The additional to share premium amount in 2014 represents premium of N4.19 on 249,000,000 ordinary shares issued to the members of Heirs Real Estate Limited (Heirs Holdings Limited and Mrs. Awele Vivien Elumelu) during the year. See Note 4 for details.

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

	2015 N'000	2014 N'000
21.3 Dividend distribution made and proposed		
Final dividend for 2014: 40 kobo per share (2013: 10 kobo)	499,600	100,000
	======	======
Proposed dividends on ordinary shares:		
Final cash dividend for 2015: 40 kobo per share (2014: 40 kobo per share)	499,600	499,600
	======	======

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

	2015 N'000	2014 N'000
22. Trade and other payables		
Trade payables	111,226	231,492
Accruals	466,079	199,227
Accrued interest on term-loan	-	74,075
Due to related parties (Note 26)	52,764	44,192
Rentals received for third parties	466,775	51,990
Service charge payable	28,240	21,531
Value Added Tax	41,930	62,629
Withholding Tax	94,569	102,699
Other payables	51,027	13,057
	1,312,610	800,892
	========	======

Rentals received for third parties represent rent collected on behalf of the third party while the Company is acting as an agent for rent collection purpose.

Accruals relates to accrued professional fees due to consultants on Falomo project, accrued audit fees, accrued technical service fees and other accrued expenses.

	2015 N'000	2014 N'000
23. Deferred income		
Contracts obtained (Note 23.1)	138,060	72,818
Service charge received in advance (Note 23.2)	5,615	-
Rents received in advance (Note 23.3)	266,678	119,706
Advance receipts for sales of properties (Note 23.4)	4,500	14,500
	414,853	207,024
	======	======

23. Deferred income – Continued

23.1 Contracts obtained

	2015 N'000	2014 N'000
At 1 January	72,818	197,577
Deferred during the year	88,938	150
Released to the statement of profit or loss	(23,696)	(124,909)
At 31 December	138,060	72,818
Current	138,060	72,818
Non-current	-	-

Deferred contract income refers to the amount received in advance from third party project supervision.

23.2 Service charge received in advance

	2015 N'000	2014 N'000
At 1 January	-	-
Deferred during the year	5,615	-
Released to the statement of profit or loss	-	-
At 31 December	5,615	-
Current	5,615	-
Non-current	-	-

Deferred service charge relates to service charge received in advance from the tenants.

23.3 Rents received in advance

	2015 N'000	2014 N'000
At 1 January	187,354	74,638
Deferred during the year	697,989	469,804
Released to the statement of profit or loss	(546,932)	(357,088)
At 31 December	338,411	187,354
Current	266,678	119,706
Non-current	71,733	67,648

23. Deferred income – Continued

23.4 Advance receipts for sales of properties

	2015 N'000	2014 N'000
At 1 January	14,500	-
Deferred during the year	4,500	14,500
Released to the statement of profit or loss	(14,500)	-
At 31 December	4,500	14,500
Current	4,500	14,500
Non-current	-	-

This represents advance payment received from third party for the purchase of investment properties.

24. Taxation

24.1 Current tax payable

	2015 N'000	2014 N'000
As at 1 January	169,366	78,955
Charge for the year (Note 10)	260,440	135,060
Payments during the year	(51,929)	(44,649)
At 31 December	377,877	169,366

24.2 Deferred tax

	2015 N'000	2014 N'000
As at 1 January	164,523	63,854
Charge for the year (Note 10)	312,319	100,669
At 31 December	476,842	164,523

Deferred tax relates to the following:

	2015 N'000	2014 N'000
Accelerated depreciation for tax purposes	4,968	8,639
Revaluation of investment properties to fair value	471,874	155,884
Deferred tax recognised in statement of financial position	476,842	164,523

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

	Interest rate %	Maturity	2015 N'000	2014 N'000
N6,500,000,000 bank loan	19.5	15 Aug 2017	1,381,110	1,381,110
N6,500,000,000 bank loan	19.5	15 Aug 2017	488,145	-
N6,500,000,000 bank loan	19.5	15 Aug 2017	98,298	-
N6,500,000,000 bank loan	19.5	15 Aug 2017	250,000	-
N6,500,000,000 bank loan	19.5	15 Aug 2017	100,000	-
N6,500,000,000 bank loan	19.5	15 Aug 2017	131,493	-
Total non-current interest-bearing loans and borrowings			2,449,046	1,381,110

Interest-bearing loans and borrowings (Current)

	Interest rate %	Maturity	2015 N'000	2014 N'000
N5,000,000,000 bank loan	16	18 Feb 2016	775,793	-
N5,000,000,000 bank loan	16	7 Jan 2016	3,144,247	-
N5,000,000,000 bank loan	16	8 Mar 2016	192,537	-
Total current interest-bearing loans and borrowings			4,112,577	-

	2015 N'000	2014 N'000
Summary of interest-bearing loans and borrowings		
Non-current	2,449,046	1,381,110
Current	4,112,577	-
Total interest-bearing loans and borrowings	**6,561,623**	**1,381,110**

The term-loans are obtained from United Bank of Africa Plc for 36 months with 18 months moratorium on principal. The fixed interest rates applicable to the loan are 19.5% and 16% per annum and are secured with;

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

b). Third party legal mortgage on the following properties or any other properties acceptable to the bank.

i). Plot 1–6 Oniru Chieftaincy Family, Lekki, Lagos
ii). 2, Adetokunbo Ademola Victoria Island, Lagos
iii). 1662, Oyin Jolayemi Street, Victoria Island, Lagos

The total estimated value of the properties is in excess of N3 billion

c). APG from contractors paid in advance

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

26. Related party transactions

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

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

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

	2015 N'000	2014 N'000
Due from related parties	19,395	28,680
Due to related parties	(52,764)	(257,947)
	----------	-----------
	(33,369)	(229,267)
	=====	======

Trading transactions

	2015	2014
Due from related parties		
Heirs Holdings Limited	19,395	28,680
	----------	---------
	19,395	**28,680**
	=====	=====
Due to related parties		
Tony Elumelu Foundation	52,764	44,192
	-----------	---------
	52,764	44,192
	======	=====

Nature, terms and conditions of transactions with related parties

The company enters into transactions with Heirs Holdings Limited which owns 3.84% of Afriland Properties Plc shareholding. The sales to and purchases from related parties are made at normal market prices. There is no record of any impairment of receivables relating to amounts owed by related during the year. Due from related party represent the fee outstanding for project supervision.

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

Technical service fee

The company has a technical service fee agreement with Heirs Holding Limited which is based on 5% of the profit before tax and minimum of N100 million per annum net of taxes. The amount for the year ended 31 December 2015 is N100 million (2014: N100 million).

26. Related party transactions - Continued

Compensation of the Directors of the Company	2015 N'000	2014 N'000
Executive Director's salary	40,000	40,000
Fees paid for meetings attended	10,413	8,011
Other emoluments	5,200	12,650
Short term employment benefits	55,613	60,661
Post-employment benefits	1,360	1,020
Total compensation paid to the key management personnel	56,973	61,681
Highest paid Director	41,360	44,020

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

	2015 Number	2014 Number
Up to N2,200,000	-	1
N2,200,001 – N10,200,000	4	3
N10,200,001 and above	1	1
	5	5

27. Operating activities	2015 N'000	2014 N'000
Profit before taxation	1,726,259	1,744,958
Adjustment for:		
Amortisation	2,583	1,148
Depreciation of property, plant and equipment	12,855	10,317
Profit on disposal of investment properties	(83,525)	(305,422)
Loss on disposal of property, plant and equipment	-	6,971
Write-off of investment properties	8,100	222,763
Impairment of available-for-sale investment	630,000	-
Finance income	(785,237)	(205,882)
Finance cost	755,185	74,075
Net gain from fair value adjustments on investment properties	(1,540,797)	(1,222,368)
Movement in deferred income	211,914	1,872
Prepayment utilised	5,200	5,200
	942,537	333,632
(Increase)/ decrease in trade and other receivables	(533,044)	190,437
Decrease in prepayments	326	(2,117)
Increase in advance to contractors	(4,028,162)	(1,426,329)
Increase/ (decrease) in trade and other payables	511,718	(190,493)
	(4,049,162)	(1,428,502)
Net cash flows used in Operating activities	(3,106,626)	(1,094,869)

28. Information relating to employees

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

	2015 Numbers	2014 Numbers
Executive office	2	2
Project management office	1	1
Facilities management and projects	20	19
Technical consultancy	5	5
Business development	4	3
Other business support	9	10
	41	40

	2015 '000	2014 '000
Salaries and wages including staff bonuses	295,306	259,395
Contributions to pension scheme	20,124	15,932
	315,430	275,327

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

NN	2015 Numbers	2014 Numbers
420,001 – 900,000	-	3
900,001 – 2,000,000	2	6
2,000,001 – 4,000,000	7	7
4,000,001 – 6,000,000	11	7
6,000,001 – 8,000,000	14	11
Above 8,000,001	7	6
	41	40

29. Litigation and claims

There is a contingent liability in respect of a legal action against the Company for amount of N100 million (2014: N122 million) for which no provision has been made. The claimant's claim is for a purported breach of his fundamental human right.

The matter is still at trial stage and the Directors are of the opinion that no significant liability will arise therefrom.

30. Capital commitments

The company had no capital commitment as at 31 December 2015 (2014: Nil).

31. Events after the reporting period

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

32. Financial instrument's risk management objectives and policies

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

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

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

Market risk

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

Equity price risk

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

At the reporting date, the exposure to listed equity securities at fair value was N870,000 (2014: N1,500,000,000). A decrease of 5% on the Nigerian Stock Exchange market index could have an impact of approximately N43.5 million on the income or equity attributable to the Company, depending on whether the decline is significant or prolonged. An increase of 5% in the value of the listed securities would only impact equity, but would not have an effect on profit or loss.

Interest rate risk

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

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

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

Interest rate sensitivity

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

	Increase/decrease in basis points	Effect on profit before tax
		N'000
2015	(+5)	56,779
	(-5)	(56,779)
2014	(+5)	13,466
	(-5)	(13,466)

Credit risk

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

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

The outstanding trade receivable represents fees due from third party for an agency service of supervision. Credit terms are set with clients based on past experiences, payment history and reputations of the customers.

Tenant receivables

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

Credit risk related to financial instruments and cash deposit

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

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

Impairment analysis and ageing analysis
In thousands of Naira

As at 31 December 2015	Carrying amount	Neither past due nor impaired	Past due but not impaired		Fully performing
			Between 1 and 3 months	Between 3 and 6 months	
Financial assets					
Short term deposits	757,041	757,041	-	-	757,041
Trade receivables	512,251	136,580	365,007	10,664	512,251
Rent receivables	-	-	-	-	-
Due from related parties	19,395	-	-	19,395	19,395
Sundry debtors	8,371	-	-	8,371	8,371
Receivable from sale of tiles	7,222	7,222	-	-	7,222

In thousands of Naira

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

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio across Nigeria. Identified concentrations of credit risks are controlled and managed accordingly.

Liquidity Risk

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

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

In thousands of Naira

As at 31 December 2015	Carrying amount	On demand	Between 2 months and 1 year	Between 1 and 5 years
Financial liabilities				
Due to related parties	52,764	52,764	-	-
Trade payables	111,226	111,226	-	-
Rentals received for third parties	466,775	466,775	-	-
Service charge payable	28,240	-	28,240	-
Accruals and other payables	681,845	-	681,845	-
Interest-bearing loans and borrowings	6,561,623	3,186,170	996,718	3,244,984

In thousands of Naira

As at 31 December 2014	Carrying amount	On demand	Between 2 months and 1 year	Between 1 and 5 years
Financial liabilities				
Due to related parties	44,192	44,192	-	-
Trade payables	231,492	231,492	-	-
Rentals received for third parties	51,990	51,990	-	-
Service charge payable	21,531	-	21,531	-
Accruals and other payables	451,687	-	451,687	-
Interest-bearing loans and borrowings	1,381,110	-	-	2,099,286

33. Fair values

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

In thousands of Naira

As at 31 December 2015	Carrying amount	Fair value
Financial assets		
AFS financial assets	870,000	870,000
Financial liabilities		
Interest-bearing loans and borrowings	6,561,623	6,613,298

In thousands of Naira

As at 31 December 2014	Carrying amount	Fair value
Financial assets		
AFS financial assets	1,500,000	1,500,000
Financial liabilities		
Interest-bearing loans and borrowings	1,381,110	1,418,158

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

The fair values of the Company's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

34. Fair value measurement

Fair value hierarchy for financial instruments measured at fair value as at 31 December 2015:

In thousands of Naira

As at 31 December 2015	**Total**	**Quoted price in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value				
Investment properties	6,005,250			6,005,250
Available-for-sale investment – Quoted equity shares	870,000	870,000		
Liabilities for which fair value is disclosed				
Interest-bearing loans and borrowings	6,613,298	-	6,613,298	-

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

In thousands of Naira

As at 31 December 2014	**Total**	**Quoted price in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value				
Investment properties	3,467,980	-	-	3,467,980
Available-for-sale investment – Quoted equity shares	1,500,000	1,500,000	-	-
Liabilities for which fair value is disclosed				
Interest-bearing loans and borrowings	1,418,158	-	1,418,158	-

There have been no transfers between the Levels during 2015 (2014: Nil).

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

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

The valuation techniques used and key inputs used to calculate the fair value on interest-bearing loans and borrowings have been disclosed on Note 33.

35. Capital management

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

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

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

	2015 N'000	2014 N'000
Interest-bearing loans and borrowings (Note 25)	6,561,623	1,381,110
Trade and other payables (Note 22)	1,312,610	800,892
Less: cash and short-term deposits (Note 20)	(770,025)	(157,615)
Net debt	7,104,208	2,024,387
Total equity	6,058,571	5,404,672
Capital and net debt	13,162,779	7,429,059
Net Debt to equity (%)	54.0%	27.2%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2015 and 2014.

36. Segment information

The chief operating decision-maker has been identified as the Board of Directors of Afriland Properties Plc. The Board reviews the Company's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. The board considers the business from an industry perspective and has identified 4 operating segments.

i. Business Development

The business development segment focuses on the management of the company's existing and new property portfolio with the aim of generating regular rental income and optimizing the values of these properties in order to maximize their rental potentials. The segment is equally involved in the acquisition and sales of high quality commercial and residential properties.

ii. Project Development

The project development segment performs design and development management services for the company's clients. These services includes: development of project briefs, preparation of outline business case (OBC), management of procurement process, appointment of consultants and construction firms, contract negotiation and administration, project monitoring and project delivery.

iii. Facility Management

Facility management is involved in planned preventive maintenance and property life cycle maintenance. This involves general building maintenance, utilities management, building upgrades and renovations, space planning and furniture fit out.

iv. Other

Other operating segment consists of revenue from
Advisory services on property portfolio management
Agency services
Sales of tiles and other materials

The board monitors the performance based on operating profits for each operating segment. All the information provided to the Board, for each operating segment, is measured in a manner that is consistent with that of the financial statements. Other administrative cost is allocated across the operating segments on the basis of the revenue generated by each segment.

36. Segment information – Continued

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

Business segments:
In thousands of Naira

	Facilities management		Project development		Business Development		Others		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue:										
Derived from external customers	287,406	715,553	475,454	220,170	2,967,930	1,623,754	33,289	192,649	**3,764,079**	**2,752,126**
Inter-segment	-	-	-	-	-	-	-	-	**-**	**-**
Total revenue	**287,406**	**715,553**	**475,454**	**220,170**	**2,967,930**	**1,623,754**	**33,289**	**192,649**	**3,764,079**	**2,752,126**
Expenses:										
Depreciation and amortization	1,221	2,786	1,993	825	9,513	6,088	128	618	**12,855**	**10,317**
Other operating expenses	120,628	169,465	196,816	35,887	1,682,125	677,858	25,396	113,641	**2,024,965**	**996,851**
Total expenses	**121,849**	**172,251**	**198,809**	**36,712**	**1,691,638**	**683,946**	**25,524**	**114,259**	**2,037,820**	**1,007,168**
Profit before taxation	**165,557**	**543,302**	**276,645**	**183,458**	**1,276,292**	**939,808**	**7,765**	**78,390**	**1,726,259**	**1,744,958**
Assets and liabilities:										
Total tangible assets	1,370,098	1,027,804	2,235,422	624,024	10,528,118	5,102,312	288,442	587,316	**14,422,080**	**7,341,456**
Intangible assets	174,682	-	187,463	-	468,658	-	21,302	853,779	**852,105**	**853,779**
Total assets	**1,544,780**	**1,027,804**	**2,422,885**	**624,024**	**10,996,776**	**5,102,312**	**309,744**	**1,441,095**	**15,274,185**	**8,195,235**
Total liabilities	**878,227**	**558,113**	**1,427,950**	**44,649**	**6,725,185**	**1,741,311**	**184,252**	**446,490**	**9,215,614**	**2,790,563**
Net assets	**666,553**	**469,691**	**994,935**	**579,375**	**4,271,591**	**3,361,001**	**125,492**	**994,605**	**6,058,571**	**5,404,672**

36. Segment information – Continued

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities.

	2015 N'000	2014 N'000
Revenue		
Total revenue for reportable segments	3,008,894	2,752,126
Elimination of inter-segment revenue	-	-
Total Company Revenue	**3,008,894**	**2,752,126**
Profit or Loss		
Total profit or loss for reportable segments	1,726,259	1,744,958
Elimination of inter-segment profit or loss	-	-
Total Company Profit or Loss	**1,726,259**	**1,744,958**
Assets		
Total assets of reportable segment	15,274,185	8,195,235
Elimination of inter-segment assets	-	-
Total Company Assets	**15,274,185**	**8,195,235**
Liabilities		
Total liabilities of reportable segment	9,215,614	2,790,563
Elimination of inter-segment liabilities	-	-
Total Company Liabilities	**9,215,614**	**2,790,563**

36. Segment information – Continued

The Afriland's business activities are concentrated in one geographic region. The primary format for segment reporting is based on operating segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Revenue from external customers in Nigeria

	2015	2014
	N'000	N'000
Revenue	3,008,894	2,752,126
	========	========

The company does not have any major customer that amount to 10% or more of the revenue.

Non- current operating assets in Nigeria

	2015	2014
	N'000	N'000
Total non-current assets	8,013,499	6,107,839
	========	========

Non-current assets for this purpose consist of property, plant and equipment, investment properties, intangible assets, available-for-sale investments and prepayments,

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 '000		2014 N'000	
Net operating income	1,353,188		1,090,436	
Cost of services - Local	(964,048)		(720,376)	
	389,140		370,060	
Other operating income	1,332		2,093	
Finance income	785,237		205,882	
Profit on disposal of investment properties	83,525		305,422	
Valuation gains from investment properties	1,540,797		1,222,368	
Value added	2,800,031		2,105,825	
Applied as follows:		%		%
To employees:				
- as salaries and labour related expenses	303,149	11	275,327	13
To external provider of capital:				
- as interest	755,185	27	74,075	3
To Government:				
- as company taxes	260,440	9	135,060	6
Retained for the company's future:				
- for assets replacement (Depreciation and amortisation)	15,439	1	11,465	1
- deferred taxation	312,319	11	100,669	5
- profit for the year	1,153,499	41	1,509,229	72
	2,800,031	100	2,105,825	100

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

	IFRS				
	2015	2014	2013	2012	2011
	'000	'000	N'000	N'000	N'000
Statement of financial position					
Assets and liabilities:					
Property, plant and equipment	280,944	275,680	21,486	1	1,396
Investment properties	6,005,250	3,467,980	2,554,729	-	-
Intangible asset	852,105	853,779	-	-	-
Available-for-sale investments	870,000	1,500,000	-	-	-
Prepayment (non-current)	5,200	10,400	15,600	-	-
Net current assets	1,042,693	910,114	299,363	549,385	514,731
Deferred income	(71,733)	(67,648)	-	-	-
Deferred tax	(476,842)	(164,523)	(63,853)	-	-
Interest-bearing loans and borrowings	(2,449,046)	(1,381,110)	-	-	-
	6,058,571	5,404,672	2,827,325	549,386	516,127
Shareholders' fund					
Issued share capital	624,500	624,500	500,000	500,000	500,000
Share premium	3,039,618	3,039,618	1,996,000	-	-
Retained earnings	2,394,453	1,740,554	331,325	49,386	16,127
	6,058,571	5,404,672	2,827,325	549,386	516,127
Revenue	1,353,188	1,090,436	595,445	22,945	13,698
Profit before taxation	1,726,259	1,744,958	424,747	33,259	17,524
Taxation	(572,760)	(235,729)	(142,808)	-	-
Profit after taxation	1,153,499	1,509,229	281,939	33,259	17,524
Basic/ diluted earnings per share (Naira)	N0.92	N1.27	N0.28	N0.03	N0.02

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of Afriland Properties Plc (the "Company") will hold on Tuesday, April 12, 2016 at the Banquet Hall, Lagoon Restaurant, Ozumba Mbadiwe Street, Victoria Island, Lagos at 1.00pm to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended December 31, 2015 together with the Reports of the Directors, Auditors and Statutory Audit Committee thereon;
2. To declare Dividend;
3. To elect/re-elect Directors;
4. To authorize the Directors to fix the remuneration of the Auditors;
5. To elect members of the Statutory Audit Committee

SPECIAL BUSINESS

6. To fix the remuneration of the Directors
7. To Consider and if thought fit, pass the following as special resolutions:

    a) That the Articles of Association of the Company be amended by the insertion of a new Article 20 to read the following:

    > "Annual Reports and Accounts and/or other Reports, documents and information relating to any business to be transacted at a General Meeting of the Company may be distributed or circulated electronically to members and persons entitled to receive them".

    b) That the Articles be renumbered accordingly after the addition of the new Article.

Dated this 11th day of March, 2016

By Order of the Board

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

NOTES

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

2. CLOSURE OF REGISTER
The Register of Members and Transfer Books will be closed from Wednesday, March 23, 2016 to Tuesday, March 29, 2016 both days inclusive.

3. DIVIDEND WARRANTS
The Directors have recommended the declaration of a dividend of 40 kobo per share. If the dividend recommended by Directors is approved, dividend warrants will be posted on April 14, 2016 to all shareholders whose names appear in the Company's Register of Members at the close of business on Tuesday, March 22, 2016.

4. AUDIT COMMITTEE
In accordance with Section 359(5) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. The Securities and Exchange Commission's Code of Corporate Governance provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

5. RE-ELECTION OF DIRECTORS
In accordance with the provisions of the Companies and Allied Matters Act, 2004, the Directors to retire by rotation at the next AGM are Erelu Angela Adebayo and Mr. Ike Ogbue. The retiring Directors, being eligible, offer themselves for re-election.

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

7. E-REPORT
In order to improve delivery of our Annual Report by electronic means, we have inserted a detachable Form to the Annual Report and hereby request Shareholders to complete and return the Form to the Registrars for further processing.

In addition, the electronic version of the Annual Report, 2015 are available online for viewing and download from our website at www.afrilandpropertiesplc.com

AFRILAND PROPERTIES

Proxy Form

Annual General Meeting of Afriland Properties Plc

I/We____
Being a member/members of Afriland Properties Plc, hereby appoint**
____
____
____

(block capitals please)

or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, April 12, 2016 or at any adjournment thereof.

Dated this ______ day of ______ 2016

Shareholder's Signature:______________________________

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

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

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

This proxy is solicited on behalf of the Board of Directors and is to be used at the Annual General Meeting to be held on Tuesday, April 12, 2016.

	Resolution	For	Against	Abstain
1	To receive the Audited Financial Statements for the year ended December 31, 2015 together with the reports of Directors, Auditors and Statutory Audit Committee			
2	To declare a dividend.			
3	To elect/re-elect Directors.			
4	To authorize the Directors to fix the remuneration of the Auditors.			
5	To elect members of the Statutory Audit Committee.			
6	To fix the remuneration of Directors			
7	To Consider and if thought fit, pass as special resolution: (a) That the Articles of Association of the Company be amended by the insertion of a new Article 20 to read the following: "Annual Reports and Accounts and/or other Reports and information relating to any business to be transacted at a General Meeting of the Company may be distributed or circulated electronically to members and persons entitled to receive them" (b) That the Articles be renumbered accordingly after the addition of the new Article			

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

ADMISSION CARD

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

ANNUAL GENERAL MEETING
Afriland Properties Plc (RC 684746)

Please admit the shareholder named on this card or his duly appointed proxy to the Annual General Meeting of the company to be held at the the Banquet Hall, Lagoon Restaurant, Ozumba Mbadigwe Street, Victoria Island, Lagos at 1.00pm on Tuesday, April 12, 2016.

Name and address of Shareholder :____
____
____

Account number : ______________________ No. of shares held______________________ Shareholder's signature____________________

Signature

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

Obong Idiong
Company Secretary

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

Africa Prudential Registrars Plc

RC NO: 649007

E-DIVIDEND MANDATE FORM

Dear Shareholder,

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

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

Thank you.

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

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

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

ADDRESS*: ______________________

GSM NUMBER*: ______

E-MAIL ADDRESS*: ______________________

DECLARATION

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

Signature: ______________________

Signature : ______________________
for joint/corporate accounts only

BANK DETAILS

ACCOUNT NAME*: ______________________ BANK*: ______

BANK ACCOUNT NO*: ______
Must be NUBAN

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

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

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

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

CLIENTELE

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

OTHERS: ______________________

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

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RC NO: 649007

SHAREHOLDER DATA UPDATE FORM

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

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

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

CLIENTELE

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

OTHERS: ____________________

DECLARATION

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

Signature: ____________________ Signature : ____________________

for joint/corporate accounts only

DISCLAIMER

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

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RC NO: 649007

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. SPOUSE' NAME:
5. *MOTHER'S MAIDEN NAME:
6. *E-MAIL:
7. ALTERNATE E-MAIL:
8. *MOBILE No.:
9. SEX: MALE ☐ FEMALE ☐
10. PHONE No. (HOME):
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12. CSCS CLEARING HOUSE No.:
13. NAME OF STOCKBROKER:
14. OCCUPATION:
15. NATIONALITY:
16. NEXT OF KIN:

DECLARATION

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

Signature: ______________________

Signature : ______________________

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DISCLAIMER

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

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

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Africa Prudential Registrars Plc | @APRPlc

Company Registration Number:	**RC: 684746**
Registered Office	Afriland Properties Plc 223 Etim Inyang Crescent Victoria Island, Lagos
Board of Directors	Erelu Angela Adebayo — Chairman Mrs. Uzoamaka Oshogwe — MD/CEO Mrs. Olayinka Ogunsulire — Director Mr. Samuel Nwanze — Director Mr. Ike Ogbue — Director Mr. Emmanuel Nnorom — Director
Auditors	Ernest & Young (Chartered Accountants) 2A, Bayo Kuku Road Off Alfred Rewane Road Ikoyi, Lagos
Bankers	**United Bank for Africa Plc** UBA House 57 Marina Lagos
Company Secretary	Mr. Obong Idiong 223 Etim Inyang Crescent Victoria Island, Lagos
Registrars and Transfer Office	Africa Prudential Registrars Plc 220B Ikorodu Road Palmgrove, Lagos

www.afrilandproperties.com