BASE SHELF PROSPECTUS
Dated: 24TH APRIL 2019

This Preliminary Base Shelf Prospectus does not necessarily contain all the information that will appear in the final version of the Base Shelf Prospectus. The information contained herein is subject to completion and amendments, which may be material, and accordingly, parts of this document may be changed before the final version of the Base Shelf Prospectus is issued. The decision to purchase any securities, which may be issued as contemplated herein, should be based solely upon the information set out in the final version of the Base Shelf Prospectus.

ALPHA MEAD FUNDING COMPANY PLC.

RC: 1391081

₦10,000,000,000 SHORT TERM BOND PROGRAMME

BASE SHELF PROSPECTUS

Under the Short-Term Bond Programme described in this Base Prospectus (the "Programme"), Alpha Mead Funding Company Plc. (the "Issuer" or "Alpha Mead Funding"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities in the form of Short-Term Bonds ("STBs" or the "Bonds"). The aggregate nominal amount of Bonds outstanding will not at any time exceed ₦10,000,000,000.

The Issuer will advance the entire proceeds of each issue of the Bonds to the applicable Alpha Mead Companies listed on page 5 hereof. The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Bonds, will be the repayments received by the Issuer from the Alpha Mead Companies under the Intercompany Bond Issuance Agreement.

This Shelf Prospectus contains information about the general characteristics of the securities offered on the basis of the Programme, their distribution terms as well as Investor rights and duties related to such securities in addition to information about the Issuer. The list of the documents incorporated by reference into this Shelf Prospectus is presented on page 4. Each Series of the Bonds may be issued in tranches, and details of the final terms applicable to each Series of Bonds (and tranches of such series if applicable) such as the issue price, issue date, maturity date, principal amount, redemption amount, interest rate (if any) applicable to any Bond and any other relevant provisions of such Bonds, will be specified in a pricing supplement (the "Pricing Supplement") set out in a supplement to this Shelf Prospectus. The registration of this Shelf Prospectus and any Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this Shelf Prospectus or any Pricing Supplement. No securities will be allotted or issued on the basis of this Shelf Prospectus read together with a Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

A DECISION TO INVEST IN THE SECURITIES OFFERED BY THE ISSUER SHOULD BE BASED ON CONSIDERATION BY THE INVESTOR OF THE SHELF PROSPECTUS, THE APPLICABLE PRICING SUPPLEMENT AND THE DOCUMENTS INCORPORATED BY REFERENCE THEREIN AS A WHOLE.

The Issuer's Board of Directors on behalf of the Issuer accepts full responsibility for the accuracy of the information contained in this Shelf Prospectus. The Board of Directors have taken reasonable care to ensure that the material facts contained herein are true and accurate in all material respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue. Bonds will be issued in dematerialised form ("Dematerialised Bonds" or "Uncertificated Bonds") as more fully described herein. Bonds issued under the Programme will be rated. Bonds, whether Unsubordinated or Subordinated, will have such rating, as is assigned to them by the relevant rating agency as specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The final terms of the relevant Bonds will be determined at the time of the offering of each Tranche based on then prevailing market conditions and will be set out in the relevant Pricing Supplement.

INVESTMENT IN THE SHORT-TERM BONDS IS STRICTLY FOR ACCREDITED INVESTORS AS DEFINED UNDER THE FMDQ SHORT-TERM BONDS REGISTRATION PROCESS AND LISTING RULES.

THIS PROSPECTUS AND THE SHORT-TERM BONDS WHICH IT OFFERS, HAVE BEEN REVIEWED BY FMDQ OTC SECURITIES EXCHANGE ("FMDQ") AND APPROVED AND REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC" or the "COMMISSION") PURSUANT TO THE FMDQ SHORT-TERM BONDS REGISTRATION PROCESS AND LISTING RULES AS APPROVED BY THE SEC. THE REGISTRATION OF THIS PROSPECTUS AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER NIGERIAN LAW FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PROSPECTUS.

FMDQ TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR PART OF THE CONTENTS OF THIS DOCUMENT.

These Shelf Prospectus and any Pricing Supplement can also be found on www.dunnlorenmerrifield.com, the FMDQ's website on www.fmdqotc.com or the Commission's website on www.sec.gov.ng.

This document is important and should be read carefully. If you are in any doubt about its contents or the action to be taken, please consult your Banker, Stockbroker, Financial Adviser, Accountant, Solicitor or any other professional adviser for guidance immediately. For information concerning certain risk factors which should be considered by prospective Investors, see "risk factors" commencing on page 22.

ISSUING HOUSE/BOOK RUNNER

DLM Advisory Partners

RC 688014

ALPHA MEAD FUNDING COMPANY PLC RC 1391081

8b Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, Lagos

04 October 2018

The Director General
Securities and Exchange Commission
Plot 272/273 Samuel Ademulegun Adesujo Street
Central Business District
Abuja FCT

STATUTORY DECLARATION OF FULL DISCLOSURE IN RESPECT OF ALPHA MEAD FUNDING COMPANY PLC'S PROPOSED ₦10,000,000,000.00 SHORT TERM NOTE PROGRAMME ("THE PROGRAMME)

We hereby affirm that this Shelf Prospectus and any supplement thereto has been prepared with a view to providing a description of the relevant aspects of Alpha Mead Funding Company Plc. (the "Company" or the "Issuer") in connection with the Bond Issue and the investment in securities issued therein.

On behalf of the Issuer, we hereby make the following declarations:

i. We confirm that we have taken reasonable care to ensure that the information provided in the Offer Documents is accurate and contains no omissions likely to affect the accuracy of the information contained therein.

ii. We confirm that the information in this Shelf Prospectus are accurate and up to date.

iii. We confirm that there has been no significant change in the financial condition or material adverse change in the prospects of the Issuer since the date the Prospectus was issued and where there is a material adverse change in the prospects of the Issuer, we shall immediately notify the Securities and Exchange Commission, FMDQ OTC Securities Exchange and investors in the securities issued pursuant to this Shelf Prospectus

iv. We confirm that the Issuer has not during the twelve (12) calendar months preceding the date of the application for the Registration of the Shelf Prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an immediate recall of such borrowed monies.

v. We confirm that no prosecution has been commenced against the Issuer during the twelve (12) calendar months preceding the date of this application for the Registration and Listing/Quotation of this Shelf Prospectus in respect of any breach or contravention of any securities or Companies and Allied Matters Act Cap C20 LFN 2004, the Investment and Securities Act 2007 ("the Act") and the SEC Rules and Regulations made pursuant to the Act.

Signed for and on behalf of:
Alpha Mead Funding Company Plc. by its duly authorised representatives:

Adekemi Odufalu Omowaleola
Company Secretary

Thomas Dada
Director

Akintunde Femi
Director

The following documents have been filed with the Commission and shall be deemed incorporated in and form part of this Shelf Prospectus:

i. The following Credit Rating Reports:
   a. Corporate Issuer Rating from Global Credit Rating Co.
   b. Bond Issue Rating Report from Global Credit Rating Co.
   c. Bond Issue Rating Report from Agusto & Co. Limited
ii. The Reporting Accountant's Report; and
iii. The audited Financial Statements of each of the Alpha Mead Companies for the preceding 3 (three) financial years.

Any Pricing Supplement approved by the Commission is hereby incorporated by reference into this Shelf Prospectus and forms an integral part of the same.

The Issuer's information given in this Shelf Prospectus and the terms and conditions of the Bonds to be issued under the Programme may be updated in a Supplementary Shelf Prospectus pursuant to the Rules and Regulations of the SEC and the Short-Term Bonds Registration Process and Listing Rules of the FMDQ OTC.

This Shelf Prospectus and any Pricing Supplement, if applicable, are accessible, and copies of them are available free of charge at the offices of the Issuing House from 8:30a.m. till 17:30p.m on Business Days during the Offer Period. These documents can also be found on www.dunnlorenmerrifield.com, the FMDQ's website on www.fmdqotc.com or the Commission's website on www.sec.gov.ng.

Telephone enquiries should be directed to the Issuing House as follows:

ISSUING HOUSES	CONTACT PERSON	TELEPHONE NUMBER
Dunn Loren Merrifield Advisory Partners Limited	**LAGOS OFFICE:**	
	Sonnie Ayere	+234(0)808-888-8866
	Emeka Ngene	+234(0)803-335-6126
	Uzoma Okoro	+234(0)813-548-5060
	ABUJA OFFICE	
	Nwabu Okonkwo	+234(0)905-502-5911

The following information should be read in conjunction with the full text of this Shelf Prospectus, from which it is derived. The information provided below is a brief summary of the key features of the Programme, a description of the Issuer and, to the extent applicable, the summary of the terms and conditions of the Bonds. This summary should be read as an introduction to this Prospectus. It does not purport to be complete and is taken from, and it's qualified in its entirety by the remainder of this Prospectus as a whole.

Issuer	Alpha Mead Funding Company Plc., a public company limited by shares and incorporated under the laws of Nigeria with registration number 1391081.
Promoter	Alpha Mead Facilities and Management Services Limited
Alpha Mead Companies (or "Underlying Companies" or "Borrowers")	Alpha Mead Facilities and Management Services Limited (AMFM); and, Alpha Mead Development Company Limited (AMDC);
Status of Bonds	The Bonds will constitute direct, unconditional, unsubordinated secured obligations of the Issuer and shall always rank pari passu and without any prejudice among themselves.
Programme Description	Programme of short-term debt instruments (with tenors of between 12 – 36 months) unsubordinated, secured debt instruments to be issued and offered in series. The Programme covers fixed rate bonds, floating rate bonds, zero-coupon bonds and any combinations thereof, all of which shall be denominated in Naira. Securities held to maturity shall be redeemed at not less than principal amount outstanding of such Securities. Where zero-coupon bonds are issued at a discount to par, the bonds shall at maturity be redeemed at par. Securities offered under this Programme are accorded a shelf registration with the Securities and Exchange Commission, following review by FMDQ OTC Securities Exchange for a three (3) Year period commencing on the date of issue of this Prospectus. No Securities shall be offered on the basis of this Prospectus or a Supplemental Prospectus after the expiration of the three (3) Year period. The Securities shall be constituted by the Programme Trust Deed. The provisions of the Trust Deed shall apply separately and independently to the Securities provided that any terms and conditions relevant to the Securities issued under the Programme shall be governed by the applicable Supplemental Trust Deed and Pricing Supplement.
Programme Limit	₦10,000,000,000.00
Use of Proceeds	The Issuer seeks to raise short-term debt under the Programme in order to on-lend to/purchase the bonds of the Alpha Mead Companies under the terms of an Intercompany Bond Issuance Agreement executed with each of the Alpha Mead Companies. The use of proceeds for the relevant Series of Bonds issued under the Programme shall be specified in the applicable Pricing Supplement.

Issuing House	Dunn Loren Merrifield Advisory Partners Limited
Book Runner(s)	Dunn Loren Merrifield Advisory Partners Limited
Trustees	DLM Trust Company Limited and UTL Trust Management Services Limited has been appointed under the Trust Deed to hold the benefit of the payment obligation and other covenants of the Issuer on behalf of the Bondholders.
Types of Securities to be issued under the Programme	The following form of Securities may be issued under the Programme as specified in the applicable Pricing Supplement:

Fixed Rate Securities

Where any Series of Securities are fixed rate Securities, such Securities shall bear interest at a fixed rate and will be payable for each Series in arrears on such date(s) and at such rate(s) as specified in the Conditions and/or the applicable Pricing Supplement.

Floating Rate Securities

Where any Series of Securities are floating rate Securities, the Interest Rate applicable will be determined in accordance with the Conditions and/or the applicable Pricing Supplement.

Zero-Coupon (Discount) Securities

Where any Series of Securities are zero-coupon Securities, no interest rate shall apply to such Securities but rather the Securities shall be issued at a discount to be determined in accordance with the Conditions and/or the applicable Pricing Supplement.

Interest Rates

Where Securities bear interests, the Securities may be issued on a fixed rate, floating rate, or on any other basis as may be agreed between the Issuer and the relevant Book Runners and specified in the applicable Pricing Supplement.

Maturities

Subject to compliance with the SEC Rules and Regulations all relevant laws and directives, Series of Securities may be issued in any maturity as may be allowed or required from time to time by the Commission (or equivalent body (however called)) or any laws or regulations applicable. The maturity of each Series of Securities will be specified in the applicable Pricing Supplement.

Interest Periods

The length of the interest periods for the Securities and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series as specified in the applicable Pricing Supplement.

Redemption

Subject to the applicable Pricing Supplement, the Principal Amount Outstanding of the Securities may be redeemed in instalments on an

	amortising basis on each Payment Date or redeemed in a single bullet payment at the Maturity Date.
Issue Price	The price of Securities of a specific Series (or tranches in a Series as applicable) shall be defined in the Pricing Supplement of the relevant Series.
Closing Date	The Closing Date of a specific Series shall be stated in the Pricing Supplement relating to the Series of Securities to be issued.
Currency	The Securities shall be denominated in Naira (₦).
Tenor	The tenor of a particular Series of Securities (or tranches in any Series as applicable) shall be determined by the Issuer and the Book Runners and specified accordingly in the Pricing Supplement for the Securities being issued.
Day Count Convention/Day Count Fraction	Actual/365 (actual number of days in a Month and 365 days in a Year). Different day count conventions may be stipulated in the Pricing Supplement.
Interest Rate	The interest, if any, payable on the Securities shall be determined by the Issuer and Book Runner(s) and stated accordingly in the Pricing Supplement for the Securities being issued.
Frequency	The frequency of payment of interest and any other monies due on the Securities shall be specified in the Pricing Supplement for the Securities being issued.
Repayment	Repayment terms in respect of the Securities issued under the Programme shall be specified in the Pricing Supplement for the series of Securities being issued.
Credit Enhancements	Credit enhancements for the repayment obligations of the Issuer in relation to any Securities issued to Investors shall comprise, *inter alia*: (i) the Transaction Accounts; (ii) the Reserve Account held by the Trustee; (iii) a Liquidity Facility; and (iv) Third Party Guarantee or Project Performance Bond as may be specified in the applicable Pricing Supplement.
Underwriting	The Bonds may be underwritten. The applicable Supplementary Prospectus/Pricing Supplement will indicate whether the relevant Series would be underwritten.
Subscription of Securities	The Securities may be subscribed to in accordance with the form of application set out in the Pricing Supplement relating to the Securities being issued;
Form of Securities/Transferability	The Bonds shall be issued in dematerialised form and held in electronic book entry deposit by crediting the CSCS Account of an Applicant who has agreed to hold the Bonds in dematerialized form. Transfer of title to Bonds shall be effected in accordance with the rules governing transfer of title in securities held by the Clearing System.
Grossing Up	All amounts payable under the Securities will be paid in full without set-off or counterclaim or other restrictions and free and clear of and without any deductions or withholding for or on account of any taxes or any charges or otherwise;

Listing	An application shall be filed with FMDQ OTC Securities Exchange for the admission to listing of the Securities to its Daily Quotations
Mandatory Redemption	The Bonds must be redeemed prior to the relevant Final Redemption Date ("Mandatory Redemption") upon the occurrence of an Event of Default (as described in the Events of Default section *of* the Legal & Structural Features below.
Rating	Securities issued under the Programme shall be assigned ratings by Global Credit Rating Co and Agusto & Co. Ltd. (or such other appointed Rating Agency) as specified in the applicable Pricing Supplement. Investors will be notified of any change in the current rating of any outstanding Securities in such manner as shall be determined by the Trustee.
Taxation	The Bonds and the Intercompany Bond qualify as corporate bonds and should be eligible for tax waivers granted by the FGN on withholding tax. On the Closing Date, and subject to certain assumptions and qualifications, Templars as Solicitors to the Issue, will render an opinion on the tax-exempt status of the Bonds and the Intercompany Bonds. See page 48 "Taxation."
Claims and Litigations	As at the date of this Shelf Prospectus, the Issuer has no claims and/or litigations.
Governing Law	- The Laws of the Federal Republic of Nigeria.
Transaction Documents	- Base Shelf Prospectus - Pricing Supplement (Supplementary Shelf Prospectus) - Programme Trust Deed - Series Trust Deed - Vending Agreement - Intercompany Bond Issuance Agreements - Accounts Bank Agreement - All Assets Debenture Deed - Deed of Share Charge

The information contained in this section is a summary of certain aspects of the Transaction, the Transaction Parties and the principal features of the Securities; and related Transaction Documents. This summary does not contain all of the information that you should consider before investing in the Securities nor does it purport to be complete. Therefore, it should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented in the remainder of this Shelf Prospectus as well as to the detailed provisions of each of the Transaction Documents and the applicable Pricing Supplement. Investors should read the entire Shelf Prospectus carefully, especially the risks involved in investing in the Securities which are discussed under "Risk Factors".

Issuance of Bonds

The Issuer will issue Short Term Bonds from time to time not exceeding an aggregate principal amount of ₦10,000,000,000.00 (the "Programme Amount"). The gross proceeds of each issue of STBs by the Issuer under the Programme will be applied towards the subscription or investment in bonds issued by the Alpha Mead Companies (the "Underlying Companies") under the terms of the Intercompany Bond Issuance Agreement described below.

Intercompany Bond

An Intercompany Bond Issuance Agreement will be entered into by the Issuer and the Underlying Companies upon which, on the Closing Date of each Series of Bonds issued, the Issuer will purchase from the Underlying Companies bonds ("Proceeds Bonds" or Intercompany Bonds) in an aggregate amount equal to the gross proceeds of the applicable Series of Bonds. The Intercompany Bond to be issued by each of the Underlying Companies will be in the proportions specified in, and under the terms of, the Intercompany Bond Issuance Agreement and any applicable supplemental Intercompany Bond Issuance Agreement.

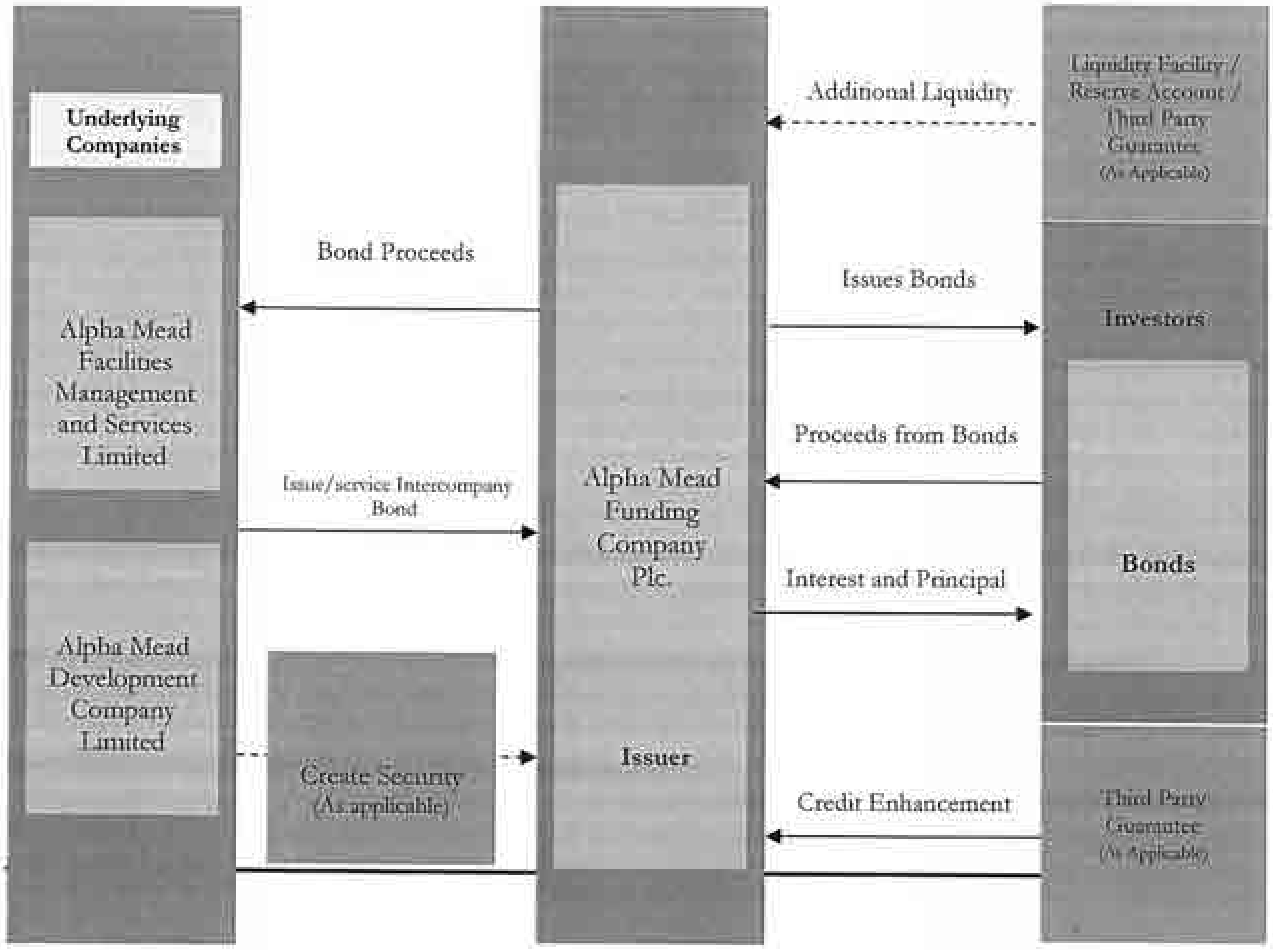
The Underlying Companies shall have a joint and several obligations to repay the aggregate amount outstanding under the Intercompany Bonds in accordance with its terms.

The Underlying Companies will utilise the proceeds of the Intercompany Bonds for the purposes specified in the applicable Pricing Supplement. The proceeds of any further Series of Bonds issued by the Issuer will be made available for borrowing by the Alpha Mead Companies under Supplemental Intercompany Bond Issuance Agreements as applicable.

The interest rate, interest commencement date, payment dates, maturity date and general terms and conditions of the Intercompany Bonds will match the specific terms and conditions of the Bonds constituted under the Programme Trust Deed and any applicable Series Trust Deed.

Payments by the Alpha Mead Companies directly into the Transaction Accounts and towards the redemption of the Bonds will reduce their obligation to the Issuer (as intercompany Bond purchaser) pro tanto.

The following diagram sets out the transaction structure relating to the issue of the Bonds by the Issuer under the Programme. This diagram is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Shelf Prospectus.



Under this ₦10,000,000,000.00 Short Term Bond Programme, the Issuer may issue from time to time, Series of fixed rate, floating rate, or zero-coupon securities and any combination thereof (the "Bonds") through the Issuing House, or any additional party appointed under the Programme by the Issuer.

The maximum aggregate principal amount of the Securities at any time outstanding under the Programme will not exceed ₦10,000,000,000.00 (the "Programme Limit").

The terms and conditions applicable to the issuance of Securities under the Programme shall be established at the Issuer's initiative, taking into consideration its financial requirements and the conditions in the capital markets. These terms and conditions will be determined by the Issuer and the Issuing House and shall be set out in the applicable Pricing Supplement.

The Pricing Supplement shall contain the terms and conditions of the Series of Securities to be issued in or substantially in the form set out below in "Form of Pricing Supplement" on pages 44.

Securities may be distributed by way of public offer or private placement. The method of distribution of each Series will be stated in the applicable Pricing Supplement.

Securities will be issued in such denomination as may be agreed between the Issuer and the relevant Book Runners and as indicated in the applicable Pricing Supplement.

The Securities will be listed on a Securities Exchange. All Securities issued on the basis of this Programme shall have ratings assigned to them. Other terms and conditions of the Securities are, or shall be specified in this Shelf Prospectus, any supplemental Shelf Prospectus and the applicable Pricing Supplement.

This Programme shall be valid for a period of 36 Months from the day of its approval by the Commission.

If at any time the Issuer shall be required to prepare a supplemental shelf prospectus pursuant to Rule 279(3) of the Rules and Regulations of the Commission in order to update or amend this Shelf Prospectus, with respect to information changes, if any, including in relation to the Issuer since the date of this Shelf Prospectus in addition to such other information as is required by the Rules and Regulations of the SEC and the relevant Rules of FMDQ OTC Securities Exchange with respect to Short-Term Bonds as approved by the Commission from time to time, on the content of prospectuses, the Issuer will prepare and make available an appropriate amendment or supplement to this Shelf Prospectus or a further prospectus which, in respect of any subsequent issue of Securities, shall constitute a supplemental shelf prospectus

STATEMENT OF INDEBTEDNESS: As at the date of this Shelf Prospectus, the Issuer had no outstanding commercial loans debentures, mortgages, loans, charges or similar indebtedness or material contingent liabilities or other similar indebtedness, other than in connection with the Bonds issued under the Programme as specified in the applicable Pricing Supplement.

1. PREAMBLE

1.1 *The following are the Terms and Conditions of Bonds to be issued under this Programme for incorporation into each definitive Bond. The applicable Supplemental Trust Deed and Pricing Supplement in relation to any Series or Tranche of Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such Series or Tranche.*

1.2 *Words and expressions used in these Terms and Conditions, shall have the same meaning as the words and expressions defined in Clause 1 (Definitions and Interpretations) of this Deed unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between these Terms and Conditions and any Supplemental Trust Deed, the Supplemental Trust Deed shall prevail.*

2. THE BONDS

2.1 The Bonds are constituted by a programme trust deed (the **"Trust Deed"**) dated 19 July, 2018 between Alpha Mead Funding Company Plc (the **"Issuer"),** and DLM Trust Company Limited and UTL Trust Management Services Limited (the "Trustees") as supplemented by the relevant Supplemental Trust Deed (the "**Supplemental Trust Deed"**). The Issuer shall execute and deliver such Supplemental Trust Deed to the Trustees containing such provisions (whether or not corresponding to any of the provisions contained in the Trust Deed) relevant to that Series or Tranche of Bonds. Each Supplemental Trust Deed shall set out the form of the Series or Tranche of Bonds to be so constituted thereby and shall be accompanied by legal opinions (in form and substance satisfactory to the Trustees) or supporting authorisations/approvals as may be required by the Trustees. The Bondholders are entitled to the benefit of and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Supplemental Trust Deed applicable to them.

2.2 The owners of book-entry interests in the Bonds shown in the records of CSCS are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Supplemental Trust Deed.

3. FORM, CURRENCY AND DENOMINATION

3.1 Unless otherwise specified in any Pricing Supplement, the Bonds shall be in registered form, serially numbered and denominated in a minimum amount determined in the applicable Pricing Supplement and Series Trust Deed. The minimum initial subscription amount shall be ₦20,000,000 and integrated multiples of ₦5,000,000 thereafter.

3.2 The Bonds may be fixed rate bonds, floating rate bonds, reverse floating rate bonds, zero coupon bonds, and indexed coupon bond or a combination of any of the foregoing, depending upon the redemption/ payment terms shown in the applicable Pricing Supplement and relevant Series Trust Deed.

3.3 The Bonds will be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSCS.

4. TITLE TO THE BONDS

4.1 The holder of any Bond be treated as its legal and beneficial owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest) and no person will be liable for so treating the Bondholder.

4.2 Transfer of title to the Bonds shall be effected in accordance with the rules governing transfer of title in securities held by CSCS.

5. STATUS OF THE BONDS

5.1 The Bonds shall (being those Bonds that specify their status as) constitute direct, unconditional, unsubordinated and secured obligations. The Bonds will however rank pari passu without any preference among themselves and at least pari passu with the claims of all Bondholders.

5.2 In the event of the winding up of the Issuer, the claims of the Trustees and the Bondholders to payment of principal and interest in respect of the Bonds against the Issuer will be as stated in clause 16 of the Trust Deed.

6. UNDERTAKINGS BY THE ISSUER

Negative Pledge

For as long as any of the Bonds remain outstanding, the Issuer will not:

6.1 except as may be required in connection with a liquidity facility in accordance with clause 31.2 of the Trust Deed, create or permit to subsist any mortgage, charge, lien or other form of security interest or encumbrance ("Security") upon the whole or any part of its undertaking, assets or revenues present or future to secure any debt, or any guarantee of or indemnity in respect of any debt;

6.2 sell, transfer or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its property or the property of the Underlying Companies, or any interest, right, estate, title, or benefit therein or thereto or agree or attempt or purport to do so;

6.3 sell, transfer or otherwise dispose of any of its assets or those of the Underlying Companies except for a disposal made in the ordinary course of trading of the disposing entity, or disposal of assets in exchange for other assets comparable or superior as to type, value and quality and for a similar purpose;

6.4 have an interest in any bank account other than the Transaction Accounts or any other account maintained pursuant to the Transaction Documents;

6.5 in the case of the Issuer, have any employees, premises or subsidiaries;

6.6 issue any further shares, or pay any dividend or make any other distribution to holders of any shares in its capital, other than the holders of Bonds herein issued;

6.7 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

6.8 enter into any other preferential arrangement having a similar effect.

7. COUPON

Coupon on Fixed Rate Bonds

7.1 Each fixed rate Bond bears interest on the Principal Amount from (and including) the Coupon Commencement Date at the rate(s) per annum equal to the fixed rate Coupon Rate so specified in the applicable Pricing Supplement. Coupon will be payable in arrears on the Coupon Payment Date(s) in each year and on the Maturity Date so specified in the applicable Pricing Supplement if that does not fall on a Coupon Payment Date. The first payment of interest will be made on the Coupon Payment Date following the Coupon Commencement Date.

7.2 If the Maturity Date is not a Coupon Payment Date, interest from (and including) the preceding Coupon Payment Date (or the Coupon Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Redemption Amount. If interest is required to be calculated for a period of other than a full year, such interest shall be calculated using the Actual/Actual day count convention or such other method as described in the applicable Pricing Supplement.

Coupon on Floating Rate, Reverse Floating Rate and Index Linked Coupon Bonds

7.3 Each floating rate Bond, reverse floating rate Bond or index linked coupon Bond shall bear interest on its Principal Amount (i) on such basis as may be described in the applicable Supplementary Shelf Prospectus, or (ii) for floating rate Bond by reference to a specified floating rate benchmark plus a margin, or for Reverse floating rate Bond by reference to a specified fixed rate minus a variable rate based upon a reference rate such as NIBOR, all as described in the applicable Pricing Supplement, or (iii) in the case of index linked Coupon Bonds by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be specified in the applicable Pricing Supplement and/or Supplemental Trust Deed.

7.4 Each floating rate Bond, reverse floating rate Bond and index linked Coupon Bond bears interest on its nominal amount from (and including) the Coupon Commencement Date at the rate equal to the rate of Coupon payable in arrears on the Coupon Payment Date(s) specified in the applicable Pricing Supplement.

Rate of Coupon

7.5 The rate of Coupon payable from time to time in respect of each of the floating rate Bonds, reverse floating rate Bonds and index linked Bonds will be determined in the manner specified in the applicable Pricing Supplement.

Determination of Rate of Coupon and Calculation of Coupon Amount

7.6 The Trustees, in the case of floating rate Bonds and reverse floating rate Bonds shall, on the date or as soon as practicable after such date on which the Rate of Coupon is to be determined (the "Coupon Determination Date"), determine the rate of Coupon and calculate the amount of interest payable in respect of each specified denomination (each a "Coupon Amount") for the relevant Coupon Period. Each Coupon Amount shall be calculated by applying the rate of Coupon to the specified denomination and multiplying such sum by the applicable Day Count Fraction.

Notification of Rate of Coupon and Coupon Amount

7.7 The Trustees or such other agent, as is specified in the applicable Pricing Supplement, will cause the Rate of Coupon and each Coupon Amount for each Coupon Period and the relevant Coupon Payment Date to be notified to the Issuer, and will cause notice thereof to be published in accordance with Condition 10, as soon as possible after its determination, but in any event no later than the third Business Day after such determination. Each Coupon Amount and Coupon Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Coupon Period. Any such amendment will be promptly notified to the Stock Exchange and to the Bondholders in accordance with Condition 10.

Certificates to be Final

7.8 All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7.8, by the Trustees shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders. In the absence of wilful default, bad faith, or manifest error, no liability to the Issuer, or the Bondholders shall attach to the Registrar in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

Interest on Zero Coupon Bonds

7.9 Each Zero-Coupon Bond will be issued at a discount to par, at an Issue Price such that the yield to maturity is reflected in the difference between the discounted Issue Price and the Final Redemption Amount of such Zero Coupon Bond. Zero Coupon Bonds will not bear interest other than in the case of late payment, as specified below:

7.9.1 Where a Bond the Coupon rate of which is specified to be zero coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Redemption Amount of such Bond. As from the Maturity Date, the Coupon rate for any overdue principal of such a Bond shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined below).

For the purposes of Condition 7.9.1:

"Amortisation Yield" shall be such rate as would produce a Face Value equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date, compounded semi-annually.

Accrual of Interest

7.10 Each Bond (or in the case of the redemption of part only of a Bond, that part only of such Bond) will cease to bear interest from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Bond have been paid; or

(b) the date on which the full amount of the monies payable has been received by the Trustees and notice to that effect has been given in accordance with Condition 10.

Deferral of Interest on Bonds

7.11 In the event that the Issuer is unable, due to lack of available funds, to make an interest payment on any Bond on any Coupon Payment Date, such amount of interest shall be deferred and become deferred interest. Deferred interest shall not itself earn interest. The Issuer shall be obliged, as and when it is in possession of available funds, to pay deferred interest to Bondholders on a Coupon Payment Date, after having made the interest payment due for that Coupon Payment Date.

8. PAYMENTS

Payment Day

8.1 Where payment is to be made by transfer to a specified bank account of a Bondholder, payment instructions will be initiated for value on the due date or, if the due date is not a Business Day, for value on the first following day which is a Business Day. Where a Bondholder does not specify a bank account, payment shall be made by cheques drawn on a bank duly licensed by the Central Bank of Nigeria and mailed by registered post to the address of record of such Bondholder on the Business Day preceding the due date for payment.

8.2 Where a Bondholder does not specify a bank account and the payment due to such Bondholder exceeds the sum of ₦10,000,000.00 (Ten Million Naira), such payment shall be made by separate cheques. The value of each cheque shall not exceed the sum of ₦10,000,000.00 (Ten Million Naira). Only Bondholders whose names appear in the Register on the Record Date shall be the only persons entitled to receive payments in respect of Bonds and the Issuer will be discharged by payment to, or to the order of, the Trustees in respect of each amount so paid.

8.3 If the date for payment of any amount in respect of any Bond is not a Business Day, the Bondholder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further Coupon or other payment in respect of such delay unless that Business Day falls in the next calendar month, in which case that payment shall be made on or by the immediately preceding Business Day.

Interpretation of Principal Amount

8.4 Any reference in these Terms and Conditions to Principal Amount in respect of the Bonds shall be deemed to include, as applicable, any outstanding amount on a Bond and any additional amounts which may be payable under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed or applicable Supplemental Trust Deed.

8.5 Any reference in these Terms and Conditions to Coupon/ Interest in respect of the Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Clause 14 of the Trust Deed (*Events of Default*) or under any undertaking or covenant given in addition.

9. PURCHASE, REDEMPTION AND CANCELLATION OF BONDS

Purchase of Bonds

9.1 All purchases and sales of Bonds may be traded on the Stock Exchange.

Redemption at Maturity

9.2 Unless previously redeemed, purchased and cancelled as provided in Conditions 9.3 to **Error! Reference source not found.**, each Bond will be redeemed by the Issuer on the Maturity Date specified in the relevant Pricing Supplement at its Final Redemption Amount which unless otherwise provided in respect of the Bonds, is the nominal amount of the Bonds.

Redemption at the Option of the Issuer

9.3 If an Early Redemption is specified in the applicable Pricing Supplement and/or Supplemental Trust Deed in respect of any Bond, the Issuer may, on giving no more than sixty (60) nor less than thirty (30) days' written notice in accordance with Condition 10 (which notice shall be irrevocable and shall bind the Issuer to redeem the Bonds on such date) redeem the Bonds in part or in whole.

Redemption by Instalments

9.4 Bonds of any Series may be partially redeemed by instalment on each Payment Date at the Redemption Amount specified in the applicable Pricing Supplement whereupon the Principal Amount Outstanding of such Bond shall be reduced by the Redemption Amount on each Payment Date until fully redeemed at the Maturity Date.

Redemption at the Option of the Bondholders

9.5 If a Put Option is specified in the applicable Pricing Supplement as being applicable, the Issuer shall, at the option of any Bondholder redeem such Bond on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9.5, the Bondholder must, not less than 30 days, nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with the Registrar and/or Trustees such Bond and a duly completed Put Option Notice in the form obtainable from the Registrar. The Trustees or Registrar with which a Bond is so deposited shall deliver a duly completed Put Option Receipt to the depositing Bondholder. No Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 9.5 may be withdrawn, *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Bond becomes immediately due and payable or, upon due presentation of any such Bond on the relevant Optional Redemption Date (Put), payment of the redemption monies is improperly withheld or refused, the Registrar shall send notification thereof to the depositing Bondholder at such address as may have been given by such Bondholder in the relevant Put Option Notice and shall hold such Bond for collection by the depositing Bondholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Bond is held by the Registrar in accordance with this Condition 9.5, the depositor of such Bond and not the Registrar shall be deemed to be the holder of such Bond for all purposes.

Redemption due to Changes in Legislation or Tax

9.6 For any Bonds issued under the Programme, the Issuer will have the option to redeem the Bonds in whole or in part at the Principal Amount thereof, together with interest accrued thereon to the date fixed for redemption, on giving of no more than 60 days nor less than 30 days' written notice to this effect (which notice shall be irrevocable and shall bind the Issuer to redeem the Bonds on such date), if:

9.6.1 the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change, or amendment becomes effective on or after the Allotment Date; and

9.6.2 such obligation cannot be avoided by the Issuer taking reasonable measures available to it, and

9.6.3 which obligation results, in the absolute discretion of the Issuer, in an unacceptable increase to the Issuer of the funding costs relating to the Bonds; provided, however, that no such notice of redemption shall be given earlier than 180 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Cancellation

9.7 All the Bonds which are redeemed in accordance with the provisions of this Condition 9 will be cancelled and may not be reissued or resold. For so long as the Bond is admitted to listing and/or trading on a Stocks Exchange and the rules of such exchange so require, the Registrar shall promptly inform the Stock Exchange of the cancellation of any Bonds under this Condition 9 (Cancellation).

10. NOTICES

Notices to the Bondholders

10.1 All notices to Bondholders will be valid if written and mailed to the Bondholders at their respective addresses in the Register maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the Commission and the Exchange on which the Bonds are listed. Any notice shall be deemed to have been given on the second day after being so mailed.

Notices from the Bondholders

10.2 Notices to be given by any Bondholder shall be in writing and given by lodging the same, with the Registrar.

11. WAIVER OF RIGHT OF SET-OFF

Every Bondholder will be recognised by the Issuer as entitled to his Bond free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of the Bond.

12. CONSENTS

12.1 At the meeting held on July 14, 2018 the Board of Directors of the Issuer resolved to raise additional capital of up to ₦10,000,000,000 (Ten Billion Naira).

12.2 An application has been filed and cleared with the Commission. The Issuer has also complied with Rules 285 to 288 of the Rules and Regulation of the Securities and Exchange Commission in respect of the form, date, and contents of this Prospectus.

13. TRUST PROVISIONS

Representative of the Bondholders

13.1 The Trustees are the representatives of the Bondholders and are authorised to act on behalf of the Bondholders in accordance with these Terms and Conditions and the Trust Deed.

13.2 The Trustees are hereby further authorised to contact the Registrar and/or the CSCS for the purposes of obtaining information: (i) on the aggregate nominal amount outstanding on any Series of Bonds, (ii) on the identity of Bondholders, and (iii) for the purposes of giving notices to Bondholders under Condition 10 *(Notices)*.

Binding Effect of the Conditions and the Trust Deed

13.3 Bondholders are deemed to have accepted and will be bound by these Terms and Conditions and the terms of the Trust Deed.

14. Location Of Register

14.1 The Register shall be located at the offices of Africa Prudential Registrars Plc whose registered address is 220B, Ikorodu Road, Palmgrove, Lagos or the registered address of any other Registrar appointed under this Programme.

14.2 The Issuer reserves the right at any time to vary the terms of the Registrar's appointment or terminate the appointment of the Registrar and appoint any person to serve as replacement of the removed Registrar.

14.3 Any variation or termination of the appointment of the Registrar only takes effect after not less than 5 days nor more than 7 days prior notice thereof shall have been given to the Bondholders in accordance with Condition 10.

15. Payment Of Principal And Coupon

The Payment of the Principal Amount and Coupons in respect of the Bonds shall be subject to any variation or modification in the applicable Pricing Supplement and shall be paid by the Issuer from immediately available funds to the order of the Trustees.

16. Taxation

By virtue of the provisions of Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order, 2011 and the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011 respectively, corporate bonds are exempted from the imposition of value added tax and companies income tax till year 2022. In addition, the Personal Income Tax (Amendment) Act, 2011 exempts corporate bonds from the imposition of personal income tax. This exemption is not time bound. Further, the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014 exempts the imposition of value added tax on (a) commissions earned on traded value of the shares, (b) commissions payable to the SEC, (c) commissions payable to the Nigerian Stock Exchange (NSE); and (d) commissions payable to the CSCS. Accordingly, any commission payable to the SEC, CSCS and NSE in connection with the Bonds will be exempt from the imposition of value added tax. This exemption is for a period of five (5) years from the date of commencement of the order.

17. Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 6 (six) years from the appropriate Relevant Date in respect of the Principal Amount and the Coupon. As used in these Terms and Conditions, "Relevant Date" in respect of any payment means the date on which such payment first becomes due.

18. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Bondholders to create and issue additional Bonds under this Programme having terms and conditions that are similar to the Bonds already in issue or the same in all respects save for the amount and date of the first payment of interest thereon; the issue price and the issue date and so that the additional Bonds shall be consolidated and form a single Series with the outstanding Bonds, in accordance with the rules and regulations of the Commission.

19. Modification And Waiver

19.1 The Trustees may agree with the Issuer, without the consent of the Bondholders but subject to the SEC and the Exchange being notified, to (i) any modification of any of the provisions of the Trust Deed which is in the opinion of the Trustees of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustees not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustees so require, such modification shall be notified to the Bondholders, as soon as practicable.

19.2 In connection with the exercise of its functions (including but not limited to those referred to in these Terms and Conditions), the Trustees shall have regard to the interests of the Holders as a class and shall not have regard to the consequences of such exercise for individual Holders and the Trustees shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

19.3 The Trust Deed contains provisions for the indemnification of the Trustees and for their relief from responsibilities. The Trust Deed also contains provisions pursuant to which the Trustees are entitled, *inter alia,* (i) to enter into business transactions with the Issuer and/or any Subsidiary of the Issuer and to act as Trustees for the Bondholders of any other securities issued or guaranteed by, or relating to, the Issuer and/ or any Subsidiary of the Issuer, (ii) to exercise and enforce their rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such Trusteeship without regard to the interest of, or consequence for, the Bondholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

20. Proceeding Against The Issuer

No Bondholder may proceed directly against the Issuer or submit a claim in the winding-up of the Issuer unless the Trustees having become bound so to proceed or being able to submit such a claim, fail to do so and notify the Bondholders in writing of their refusal to do so, in which case the Bondholder may (i) take such proceedings in a representative capacity on behalf of himself and, (where authorized), other Bondholders holding not less than ten percent (10%) of the Principal Amount of the Bonds of such Series or Tranche, for the recovery of the payments due on the Bonds; or (ii) take such proceedings in his name for the recovery of his own portion of the Bonds.

21. Priority of Payments

21.1 Pre-Enforcement Priority of Payment

On each Payment Date occurring prior to the delivery of a Notice of an Event of Default, monies standing to the credit of the Payment Account as of the immediately preceding Determination Date shall be applied by the Trustees in the following order of priority, (the "Priority of Payments") (in each case only if and to the extent that payments of a higher priority have been made in full):

21.1.1 to pay any Statutory Obligations;

21.1.2 to pay *pari passu* and pro rata according to the respective amounts thereof and the Trustees' fees, costs and expenses;

21.1.3 to pay, *pari passu* and pro rata according to the respective amounts thereof the fees, costs and expenses of and all other amounts due and payable to the Account Bank and the Rating Agencies;

21.1.4 to pay *pari passu* and pro rata according to the respective amounts thereof, the interest due and payable on the Bonds on the Payment Date, where applicable; and

21.1.5 to pay *pari passu* and pro rata according to the respective amounts thereof, the scheduled principal amounts due and payable on the Bonds on the Payment Date (if any).

21.2 Post-Enforcement Priority of Payments

Condition 21.1 above notwithstanding, if the Trustees are so authorized in accordance with the Trust Deed, on each Payment Date after the occurrence of an Event of Default monies standing to the credit of the Payment Account as of the immediately preceding **Determination Date** shall be applied by the Trustees in the following order of priority, (the "Post Enforcement Priority of Payments") (in each case only if and to the extent that payments of a higher priority have been made in full):

21.2.1 to pay, any Statutory Obligations;

21.2.2 to pay *pari passu* and pro rata: (a) the fees and expenses of the relevant receiver or manager; and (b) the Trustees' fees, costs and expenses;

21.2.3 to pay *pari passu* and pro rata according to the respective amounts thereof the fees, costs and expenses of and all other amounts due and payable to the Account Bank, and the Rating Agencies;

21.2.4 to pay *pari passu* and pro rata according to the respective amounts thereof, the interest due and payable on the Bonds, where applicable;

21.2.5 to pay *pari passu* and pro rata according to the respective amounts thereof, the scheduled principal amounts due and payable on the Bonds; and

21.2.6 to apply *pari passu* and pro rata all available amounts remaining to prepay the outstanding principal (until repaid in full).

22. RIGHTS AGAINST PREDECESSORS-IN-TITLE

Except as required by law, the Issuer will recognise the registered holder of any Bonds as the absolute owner thereof and shall not be bound to take notice, or see to the execution of any trust whether express, implied or constructive to which any Bonds maybe subject, and the receipt by such registered holder, or in the case of joint registered holders the receipt by any of them, of the interest from time to time accruing due for any other moneys available in respect thereof shall be a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other Person to or in such Bonds interest or moneys. Notice of any trust express or constructive shall not be entered on the Register in respect of any Bonds.

23. GOVERNING LAW

The Bonds are governed by, and shall be construed in accordance with, the laws of the Federal Republic of Nigeria.

An investment in the Bonds may involve a high degree of risk. Accordingly, prospective investors should carefully consider the following risk factors together with all the other information included in this Shelf Prospectus before purchasing the Bonds. The risks outlined below are by no means exhaustive and are not the only risks facing the Issuer or the Alpha Mead Companies. Additional risks and uncertainties that are currently considered immaterial may also materially and adversely affect the Issuer in the future, should market conditions deteriorate. Any of the following risks could result in a material adverse effect on the Company's financial condition, and ability to service its debt obligations, including the Bonds.

1. General Risks Relating to the Bond

1.1 Legality of Purchase:

Neither the Issuer, the Issuing House, the Book Runners nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.2 Change of Law:

The Terms and Conditions of the Bonds are based on Nigerian law in effect as at the date of this Shelf Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Shelf Prospectus.

1.3 Modification, waivers and substitution:

The conditions of the Bonds contain provisions for calling General Meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders including Bondholders who did not attend and vote at the relevant General Meeting and Bondholders who voted in a manner contrary to the majority.

1.4 Taxation:

The Federal Government has issued the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 (the "Exemption Order") which exempts bonds issued by corporate bodies and interest payments thereon from companies' income tax for a period of ten years from 9 December, 2011 to 9 December, 2021) (the "Exemption Period"). Therefore, the interest payments on the Bonds should not be liable to income tax in Nigeria during the Exemption Period. In addition, the Personal Income Tax (Amendment Act), 2011 exempts individuals from paying taxes on interest income on corporate bonds, as such, interest payments by individuals will not be liable to personal income tax. However, potential investors are advised not to rely upon the tax summary contained in this Shelf Prospectus and/or in the Pricing Supplement but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Further, the Value Added Tax (Exemption of Commissions on a Securities Exchange Transactions) Order, 2014 exempts the imposition of value added tax on (a) commissions earned on traded value of the shares, (b) commissions payable to the Securities and Exchange Commission, (c) commissions payable to the NSE; and (d) commissions payable to the CSCS. Accordingly, any commission payable to the SEC, CSCS and NSE in connection with the Bonds will be exempt from the imposition of value added tax. This exemption is for a period of five (5) years from the date of commencement of the order.

1.5 Credit ratings may not reflect all risks:

The Bonds shall be assigned ratings by Global Credit Rating Co. and Agusto & Co. Ltd. and independent rating agencies may decide to rate the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.6 The securities market for trading the Securities may not be very liquid:

The Nigerian securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Issuer cannot guarantee that the market for the Bonds will always be active or liquid, for example, the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed of at prices and volumes at instances best deemed appropriate by their holders.

2. Risks Relating to Nigeria

2.1 Political and regional instability:

Oil exportation is the major source of government revenue to Nigeria and Nigeria's major oil producing area is the Niger Delta region. There has been renewed agitation and militancy in the Niger Delta region which has substantially affected the country's oil production. Until a lasting solution is found, there will be continued agitation and militancy activities in the region which would continually threaten the oil production and economic activity in the main oil producing region of Nigeria.

The advent and activities of the insurgent groups introduced a new dimension to armed confrontations with public security forces. Although the Federal Government has recorded tremendous success in eliminating the extremist group and weakening their activities in the Northern region, suicide bombings and indiscriminate attacks on even co-religionists continue to raise serious concerns about the protection of lives and property, sustained attractiveness of Nigeria to foreign investors, and the recovery of the capital market.

Although, the political and regional instability has had a material adverse effect on investment and confidence in the performance of the Nigerian economy, the Federal Government has embarked on a number of initiatives to address the instability and unrest. Parts of these initiatives include frequent engagement with leaders of the South-South region to help in reducing oil pipeline vandalisation and oil bunker and the issuance of a green bond, proceeds of which will be used to revive the region.

In spite of the Federal Government's efforts, continued criminal activity, unrest and political and religious conflicts in the country may lead, deter investments in the country and lead to increased political instability that could have a material adverse effect on Nigeria's economy and impact the Issuer's income.

2.2 Economic instability:

The current presidential administration has implemented a number of wide-sweeping political and economic reforms aimed at diversifying Nigeria's economy and increasing macroeconomic stability whilst promoting a private sector market driven economy.

In 2016, Fitch Ratings revised the outlook on Nigeria's BB- rating to "stable" from "negative". The stable outlook anticipated continued reforms progress, tighter monetary policy, fiscal discipline, including progress towards scrapping the petroleum subsidy and making the Nigeria Sovereign Investment Authority, the sovereign wealth fund, operational. However, in January 2017, the Rating Agency further revised the outlook on the county's long-term foreign and local currency issuer default ratings (IDRs) to negative from stable, putting it at 'B+'.

In contrast, in March 2017, Standard & Poor's (S&P) upgraded its long-term foreign and local currency sovereign credit rating on Nigeria to B from B+ on account of Nigeria's weakening economy owing to a marked contraction in oil production, a restrictive foreign exchange policy and delayed fiscal stimulus. Moody's also assigned local and foreign currency issuer ratings of B1 to Nigeria with a stable outlook.

Nigeria successfully launched a Eurobond offering with the sale of US$1billion. The bonds, which were rated B by Standard and Poor's and B+ by Fitch, were issued at 7.875% per annum. The offering was oversubscribed by about 8 times signifying its credit worthiness in the global market. Plans are currently underway for an additional US$500million Eurobond offering. With Nigeria gradually coming out of recession and inflation trending downward, portfolios are beginning to see better returns.

2.3 Global prices of oil have a significant impact on the Nigerian economy:

According to the Central Bank of Nigeria, crude oil export (which stood at 1.8 million barrels per day (bpd) in November 2016) accounts for over 95% of the country's total export earnings and 80% of budget revenues. Crude oil prices are highly volatile, and prices have maintained an upward trend in the past months driven primarily by the OPEC production quota for its members excluding Nigeria and Angola and could be largely affected by the level of global production, demand and political tensions and other conflicts, particularly in the Middle East and Europe. Any significant decline in oil prices could adversely affect the Nigerian economy.

The present administration remains committed to economic reforms aimed at diversifying Nigeria's economy and increasing macroeconomic stability whilst promoting a private sector market-driven economy. In addition, the government's annual budget is pegged at a rate lower than the average trading price of crude oil. This reduces the country's exposure to the volatility in oil price.

2.4 Emerging markets such as Nigeria are subject to greater risks than more developed markets, and financial turmoil in any emerging market could cause the price of the Bonds to decrease:

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the group. Political instability and possible corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud and other legal problems.

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in and are familiar with investing in emerging markets. Investors should also note that emerging markets such as Nigeria are subject to rapid change and that the information set forth in this Shelf Prospectus may become outdated relatively quickly.

Moreover, financial turmoil in any emerging market country tends to adversely affect prices in equity markets of all emerging market countries as investors move their money to more stable, developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Nigeria and adversely affect the Nigerian economy. In addition, during such times, companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Thus, even if the Nigerian economy remains relatively stable, financial turmoil in other emerging market countries could adversely affect the Issuer's business, as well as result in a decrease in the price of the Bonds.

During such periods, foreign investors can diversify their investments to risk free government assets, i.e. Government Bonds, Treasury Bills, etc. until the crisis is abated. Further, they might also choose to hedge their risks in the domestic markets.

3. Risks Relating to the Issuer

3.1 The Issuer is a special purpose entity with no operations or significant assets.

The Issuer is a special purpose entity incorporated as a Public Limited Liability Company and domiciled in Nigeria. The Issuer currently has no operations, staff and no significant assets other than the bonds. The Issuer is a funding special purpose vehicle of the Alpha Mead Companies with no business operations (or subsidiaries) of its own, other than borrowing, advancing funds to, and receiving funds from the Alpha Mead Companies.

3.2 Change in Law

The laws governing the activities of the Issuer are based on Nigerian law in effect as at the date of this Shelf Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Shelf Prospectus.

3.3 Repayment Risk

There is likelihood that the Issuer may not be able to repay outstanding Principal and Interest on the bond on a payment date. There is a provision in the structure of the Bond for a Reserve Account and potentially a liquidity facility in which the Issuer will be entitled to make drawings in order to pay the principal amount outstanding on the Bonds plus accrued interest upon the occurrence of any shortfall in the Transactions Account. The Underlying Companies shall under the Intercompany Bond Issuance Agreement, jointly, irrevocably, and unconditionally undertake, as a primary obligor and co-debtor in respect of each other's payment obligations under the Intercompany Bond Issuance Agreement.

4. Risks Relating to the Alpha Mead Companies

The Alpha Mead Companies, listed on page 5 herein, are exposed to various risks which impact on their operations, assets and overall financial performance. These risks are enumerated below:

4.1 Industry related Risks:

The main industry-related risk the Alpha Mead Companies face is real estate market risks. There is a risk of an imbalance in the supply and demand for real estate. This may be triggered by a surge in new developments or decline in demand arising from a slowing economy. Whilst these risks may have potentially negative impact on the performance of AMDC, a surge in new real estate and infrastructural developments on the other hand could have a positive impact on the business of AMFM thereby reducing the overall impact on the debtors.

4.2 Currency Risks:

The Alpha Mead Companies are significantly dependent on imported raw materials for construction and development. The implication of this is that the Alpha Mead Companies are exposed to considerable foreign exchange rate risks due to the volatility in exchange rates.

4.3 Construction Risk:

In construction, there is the risk that the project will take a longer time than anticipated to completion and or a possibility of cost overruns. Additionally, physical defects and aging assets may result in costly replacements or equipment failure.

However, this risk is mitigated by the engagement of an experienced team across Alpha Mead Companies' businesses. Where necessary, the Alpha Mead Companies will engage the services of professional third parties to examine the physical aspects of assets and highlight abnormal costs

4.4 Default Risk:

The Alpha Mead Companies are susceptible to the risk that its clients (off-takers) may not make payments as at when due owing to reasons such as loss of employment income and or illiquidity of corporate clients.

However, this risk is mitigated by ensuring consistency of income to off-takers' and immediately replacing defaulting off-takers. Due diligence including an assessment of track record is carried out prior to accepting business relationships with corporate clients.

Introduction

The Issuer is a Special Purpose Company set up with the objective of providing an alternative and, more economically viable source of funding to the Alpha Mead Companies. The Company was incorporated in Nigeria as a public liability company on the 13th of February 2017 and is promoted by Alpha Mead Facilities and Management Services Limited ("AMFM").

The registered office of the Issuer is 8A Oladipo Diya, 2nd Avenue Estate, Ikoyi, Lagos, Nigeria. The Issuer has no subsidiaries. The Issuer is a funding special purpose vehicle with no business operations of its own, other than borrowing, advancing funds to, and receiving funds from the Underlying Companies.

SHAREHOLDING

The authorised share capital of the Issuer is N1,000,000 divided into 1,000,000 divided ordinary shares of N1.00 each, all of which have been issued at par, and are held by each of the Alpha Mead Companies as follows:

Name	Shareholding	Percentage (%)
Alpha Mead Facilities & Management Services Limited	999,999	99.99
Femi Akintunde	1	0.01

OBJECTS OF THE COMPANY

The principal objects of the Issuer, a special purpose vehicle, are set out in clause 3 of its Memorandum of Association and, amongst other things, are to raise or borrow money to lend and to grant security over its assets for such purposes and to enter into arrangements for such purpose.

PRINCIPAL ACTIVITIES

The principal activities of the Issuer will be to raise or borrow money; short-term and long-term by the issuance of debt securities and to lend such monies to the Alpha Mead Companies and where applicable grant any security over its assets for such purposes subject to and in accordance with the terms of the applicable Transaction Documents by which such funds are raised. The applicable assets of the Issuer as defined here include the Issuer's rights, title, benefits and interest present and future, which have been granted to the Issuer pursuant to the terms of the Intercompany Bond Issuance Agreement and all the other Transaction Documents to which the Issuer is a party.

Copies of the Memorandum and Articles of Association of the Issuer may be inspected at the specified offices of the Issuer.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company, the authorisation and issue of the Bonds and of the other documents and matters referred to or contemplated in this document to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

DIRECTORS AND SECRETARY

The Directors of the Issuer and their respective business addresses and other principal activities are:

Name	Business Address
Akintunde Femi	8A Oladipo Diya, 2nd Avenue Estate, Ikoyi, Lagos
Thomas Dada	9A/B Joseph Adu Street, Oniru Estate, Lekki, Lagos

The Company Secretary of the Issuer is Adekemi Odufalu Omowaleola of 8B Oladipo Diya Crescent, 2nd Avenue Estate, Ikoyi, Lagos.

INDEBTEDNESS

The Issuer has no indebtedness as at the date of this Shelf Prospectus other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

MATERIAL CONTRACTS

Apart from the Transaction Documents to which it is a party, the Issuer has not entered into any material contracts other than in the ordinary course of its business.

NO MATERIAL ADVERSE CHANGE

Since the date of the Issuer's incorporation, there has been no material adverse change, or any development reasonably likely to involve any material adverse change, in the condition (financial or otherwise) of the Issuer.

FINANCIAL INFORMATION

Since the date of incorporation, the Issuer has not commenced operations and save for the statement of affairs, and financial projections no financial statements have been made up as at the date of this Shelf Prospectus.

CLAIMS AND LITIGATION

The Alpha Mead Companies are presently involved in about 9 (nine) law suits, 8 (eight) of which are pending before various courts in Nigeria and one which is an arbitration matter. Majority of the causes of action focus on declaration of title to land, debt recovery and breach of contract.

The aggregate principal amount claimed in all the proceedings suits against the Alpha Mead Companies is N246, 058,205.00 (Two Hundred and Forty-Six Million, Fifty-Eight Thousand, and Two Hundred and Five Naira). The Directors of the Alpha Mead Companies and the Solicitors to the Transaction are of the opinion that the outcome of the various proceedings is not likely to have any material adverse effect on the Transaction or on the business and operations of the Issuer or the Alpha Mead Companies.

GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

Alpha Mead Funding Company Plc

Nigeria CorporateAnalysis **November 2017**

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long term	National	$BBB_{(NG)}$	Stable	October 2018
Short term	National	$A3_{(NG)}$		

Financial data:

(USDm comparative)*

	31/12/15	31/12/16
N/US$ (avg.)	193.1	253.2
N/US$ (close)	197.0	305.7
Total assets	27.4	24.9
Total debt	5.9	2.9
Total capital	5.8	6.6
Cash & equiv.	0.2	0.3
Turnover	19.1	19.5
EBITDA	(1.6)	4.0
NPAT	(0.5)	3.6
Op. cash flow	0.9	1.9
Market share	Not available	
Market cap.	Not applicable	

** Based on Central Bank of Nigeria's exchange rate.*

Rating history:

Initial/new rating
Long-term: $BBB_{(NG)}$
Short-term: $A3_{(NG)}$
Rating outlook: Stable

Related methodologies/research:

Global Master Criteria for Rating Corporate Entities, updated February 2017
Glossary of Terms/Ratio, February 2017.

GCR contacts:

Primary Analyst
Femi Atere
Credit Analyst
femi@globalratings.net

Committee Chairperson
Dave King
king@globalratings.net

Analyst location: Lagos, Nigeria

Tel: +234 1 4622545

Website: www.globalratings.com.ng

Summary rating rationale

- Alpha Mead Funding Company Plc ("AM-Funding" or "the Group") is a special purpose vehicle incorporated to raise funds from the debt capital market, to be used largely for working capital support, and expansion of its real estate business, so as to benefit from a wide spectrum of real estate businesses across the value chain. The entities that comprise AM-Funding have common shareholders, who have extensive experience in facility management and real estate business.
- The consolidated AM-Funding's revenue reflects a unique mix of annuity and project income. In this regard, AM Facilities enjoys stable annuity type income, based on long term contracts. Moreover, as the business has gained scale, margins have improved, as evidenced by a growth of 20.6% in operating profit in FY16, despite the lower revenue. Conversely, AM-Development's revenue and operating profit fluctuate greatly depending on where projects are in the lifecycle. Where there are large projects in the start-up stages (as in FY15), developments costs are high, leading to negative earnings. Nevertheless, as sales begin (as in FY16), revenues rise sharply while costs decrease, leading to strong profitability.
- While a medium term view is required, the Group has experienced a general increase in the cost base. Management is, thus, implementing cost reduction initiatives, and this is expected to support margins over the forecast period.
- The Group's asset base has expanded considerably to c.N7.9bn at 1H FY17 (FY12: N1bn), on the back of large investments in real estate assets. As expansion was partly funded by debt, gross debt increased from N110m at FY12 to N1.2bn at FY15, before being reduced to N735m at 1H FY17. Given that the Group's gross debt declined while equity recorded significant growth at FY16, gross and net gearing reduced to 43% and 38% respectively (FY15: 102%, 99%). Similarly, gross and net debt to EBITDA registered at 86% and 76% respectively at FY16.
- Aside from FY15, working capital absorptions have been reported in all the review periods, driven by start-up costs for new contracts (AM-Facilities) and the funding required for properties under construction (AM-Development). However, as the Group gains scales and the number of projects increases, such absorption should become less pronounced.
- The Group plans to raise N3.1bn through a bond issuance before year-end FY17, which would lead to a material change in debt profile, with gross debt rising to N3.2bn at FY17. This is expected to see gross gearing spike to 113% and gross debt to EBITDA to 200%. However, on a net basis, gearing would be more moderate to 58% and 103% at FY17 respectively. Thereafter, gearing metrics are expected to decline as earnings become more reflective of activities, but this is dependent on strong cash flows being generated. Such earnings will also be critical to ensure interest coverage registers above 3x over the medium term.

Factors that could trigger a rating action may include

Positive change: Bringing the capital projects to fruition on time and within budget will have a strong positive impact on earnings. This should also lead to strong internal cash generations and see reliance on debt reduce.

Negative change: Earnings underperformance, arising from delay to the projects, could burden AM-Funding with high debt service costs. Furthermore, continued disruptions to the operating environment, could negatively impact group performance.

GLOBAL CREDIT RATING CO.

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

RESULT AT A GLANCE

FOR YEAR ENDED 31 DECEMBER 2017

	The Group		The Company	
	2017	2016	2017	2016
	₦'000	₦'000	₦'000	₦'000
Revenue	3,772,301	3,575,356	3,731,738	3,533,695
Profit before taxation	31,295	158,316	35,263	154,157
Income tax expense	(33,826)	(49,907)	(33,974)	(48,697)
(Loss)/ profit after taxation	(2,531)	108,409	1,289	105,460
Issued share capital	10,000	10,000	10,000	10,000
Total equity	803,728	832,624	826,995	852,071
Per share data:	(0.25)	11.00	0.13	11.00
Number of ₦1.00 ordinary shares	10,000	10,000	10,000	10,000
Basic(loss)/earnings per ₦1.00 share	(0.25)	11.00	0.13	11.00

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

FOR YEAR ENDED 31 DECEMBER 2017

The directors have pleasure in submitting to the members of Alphamead Facilities and Management Services Limited ("the Company") their report together with the consolidated and separate financial statements for the company and its subsidiary ("the Group") for the year ended 31 December 2017.

Principal activities
The principal activities of the Group is the provision of Facility Management Services, Project Management and Real Estate Development Consultancy, and Training services support to corporate organisations and private investors with major Real Estate assets. There have been no change in the activities of the group during the year.

State of affairs
In the opinion of the Directors, the state of the Group affairs is satisfactory and there has been no material change since the reporting date.

Result for the year

	The Group		The Company	
	2017 ₦000	2016 ₦000	2017 ₦000	2016 ₦000
Revenue	3,772,301	3,575,356	3,731,738	3,533,695
Profit before taxation	31,295	158,316	35,263	154,157
Income tax expense	(33,826)	(49,907)	(33,974)	(48,697)
(Loss)/ Profit after taxation	(2,531)	108,409	1,289	105,460

Dividend
The directors do not recommend payment of a dividend for the year ended 31 December 2017. (2016: ₦26.4 million)

Acquisition of own shares
The group has not purchased any of its own shares during the period under review. (2016: Nil)

Property, plant and equipment
Information relating to movement in property, plant and equipment (PPE) is shown in Note 14 to the financial statements. In the opinion of the Directors, the market value of the Group's properties are not less than the carrying value shown in the financial statements.

Shareholdings
The issued share capital of the Company as at 31 December 2017 was beneficially owned as follows:

	31 December 2017 Number	%	30 September 2016 Number	%
Chestermead Associates Ltd	2,000,000	20	2,000,000	20
Alpha Infinity Ventures Ltd	5,200,000	52	5,200,000	52
Rhodax Ventures Ltd	1,100,000	11	1,100,000	11
Basscomm Nigeria Ltd	500,000	5	500,000	5
Phiek Jolisn	300,000	3	300,000	3
Others	900,000	9	900,000	9
	10,000,000	100	10,000,000	100

Directors' interest in shares

None of the Directors has any direct beneficial interest in the issued share capital of the Group for the purpose of Section 275 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. (2016: Nil).

Directors' interest in contracts

For the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, none of the Directors has notified the Group of their disclosable interest in contracts which the Group entered into as at 31 December 2017 (2016: Nil).

Charitable donations

The group did not make any charitable donation during the year ended 31 December 2017 (2016: Nil).

Employment of disabled employees

It is the Group's policy that there is no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers. No disabled person was in the employment of the Group as at 31 December 2017 (2016: Nil).

Health, safety at work and welfare of employees

The group demonstrates its concern for the health and safety of its employees through the Group's safety awareness programmes.

Employees working in operations area are provided with personal protective clothing to ensure their safety while at work, and must follow rigorous safety regulations as well as undergo frequent training.

To this end, the Group has various forms of insurance policies, including workmen's compensation and group life insurance, to adequately secure and protect its employees. In addition, medical facilities are provided to employees at the Group's expense.

Employees' Interest and Training

The group places considerable value on the involvement of its employees in major policy matters and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group.

Event after the reporting date

As stated in Note 30, there are no events or transactions that have occurred since the reporting date which would have a material effect on the consolidated and separate financial statements as presented.

Format of financial statements

The consolidated and separate financial statements of Alphamead Facilities and Management Services Limited have been prepared in accordance with the reporting and presentation requirement of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Financial Reporting Council Act No 6, 2011 and provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Auditors

Ernst & Young have expressed their willingness to continue in office as the Group'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

Mrs. Wale Odufalu
COMPANY SECRETARY

August 23 2018

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR YEAR ENDED 31 DECEMBER 2017

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 period that give a true and fair view of the state of financial affairs of the Group at the end of the period and of its profit or loss. The responsibilities include ensuring that the Group:

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 consolidated and separate 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 (IFRS) issued by International Accounting Standards Board, Financial Reporting Council of Nigeria Act No 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended 31 December 2017. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated and separate financial statements, as well as adequate systems of internal financial controls.

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

....	....
Mr. Olufemi Akintunde	Mr. Dada Thomas
Group Managing Director	Director

.... 2018

Building a better working world

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALPHA MEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Alphamead Facilities and Management Services Limited, which comprise the consolidated and separate statement of financial position as at 31 December 2017, the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Alpha mead Facilities and Management Services Limited as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (IFAC code) and other independence requirements applicable to performing the audit of Alpha mead Facilities and Management Services Limited. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of Alpha mead Facilities and Management Services Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' report, Statement of Directors Responsibilities and other national disclosures as required by the Companies and Allied Matters Act, CAP C20, laws of the Federation of Nigeria 2004. The other information does not include the financial statements and our auditors' report thereon.
Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALPHA MEAD FACILITIES AND MANAGEMENT SERVICES LIMITED - *Continued*

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

Auditors' Responsibility for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED - continued

Report on Other Legal and Regulatory Requirements

In accordance with the requirements 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 purposes of our audit;

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

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

Omolola Alebiosu, FCA
FRC/2012/ICAN/00000000145
For: Ernst &Young
Lagos, Nigeria

3 September, 2018

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0212419

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

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

FOR YEAR ENDED 31 DECEMBER 2017

	Notes	The Group 2017 ₦000	The Group 2016 ₦000	The Company 2017 ₦000	The Company 2016 ₦000
Revenue	7	3,772,301	3,575,356	3,731,738	3,533,695
Direct operating expenses	8	(2,645,361)	(2,417,817)	(2,631,382)	(2,409,345)
Gross profit		1,126,940	1,157,539	1,100,356	1,124,350
Other operating income	9	37,619	104	39,658	2,196
Administrative expenses	10	(1,097,194)	(915,224)	(1,070,820)	(888,286)
Operating profit		67,365	242,419	69,194	238,260
Finance Cost	11	(36,070)	(84,103)	(33,931)	(84,103)
Share of loss of an associate		-	-	-	-
Profit before taxation		31,295	158,316	35,263	154,157
Income tax expense	12.1	(33,826)	(49,907)	(33,974)	(48,697)
(Loss)/ profit for the year		(2,531)	108,409	1,289	105,460
Other comprehensive income:					
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive (loss)/ profit for the year, net of tax		(2,531)	108,409	1,289	105,460
(Loss)/ profit attributable to:					
Equity holders of the parent		(1,767)	107,819	1,289	105,460
Non - controlling interest		(764)	590	-	-
		(2,531)	108,409	1,289	105,460
Total comprehensive (loss)/ profit attributable to:					
Equity holders of the parent		(1,767)	107,819	1,289	105,460
Non - controlling interest	6	(764)	590	-	-
		(2,531)	108,409	1,289	105,460
(Loss)/ earnings per share - Basic (₦)	13	(0.25)	11.00	0.13	11.00

See notes to the financial statements

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		The Group		The Company	
		2017	2016	2017	2016
	Notes	₦000	₦000	₦000	₦000
Non-current assets					
Property plant and equipment	14	103,985	427,428	100,988	422,858
Intangible assets	15	20,943	9,798	20,943	9,798
Investment in subsidiary	16	-	-	8,000	5,890
Investment in associate	17	-	-	4,900	4,900
Total non-current assets		124,928	437,226	134,831	443,446
Inventories	18	4,784	9,854	4,784	9,854
Trade and other receivables	19	2,505,122	2,050,248	2,524,631	2,068,227
Prepayments	20	11,675	27,817	11,547	27,721
cash and short term deposits	21	37,147	57,421	36,692	57,258
Total current assets		2,558,728	2,145,340	2,577,654	2,163,060
Total assets		2,683,656	2,582,566	2,712,485	2,606,506
Equity and liabilities					
Equity					
Issued share capital	22	10,000	10,000	10,000	10,000
Share premium		206,172	206,172	206,172	206,172
Retained earnings		586,854	614,986	610,823	635,899
Shareholders fund		803,026	831,158	826,995	852,071
Non - controlling interest		702	1,466	-	-
Total equity		803,728	832,624	826,995	852,071
Non -current liabilities					
Interest bearing loans and borrowings	23	27,896	85,204	25,936	85,204
Deferred tax liabilities	12.3	22,065	40,124	20,513	38,241
Total non-current liabilities		49,961	125,328	46,449	123,445
Current liabilities					
Trade and other payables	24	1,481,767	1,311,696	1,495,876	1,324,194
Income tax payable	12.2	289,261	242,125	283,189	236,236
Interest bearing loans and borrowings	23	58,939	70,793	59,976	70,560
Total current liabilities		1,829,967	1,624,614	1,839,041	1,630,990
Total liabilities		1,879,928	1,749,942	1,885,490	1,754,435
Total equities and liabilities		2,683,656	2,582,566	2,712,485	2,606,506

Mr. Olufemi Akintunde
Group Managing Director

Mr. Dada Thomas
Director

Mr. Amaebi Fiderikumo
Chief Financial Officer

See notes to the consolidated and separate financial statements

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2017

The Group	Issued share capital	Share premium	Retained earnings	Attributable to the equity holders of the parent Total	Non - controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2016	10,000	206,172	530,767	746,939	876	747,815
Profit for the year	-	-	107,819	107,819	590	108,409
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Dividend paid	-	-	(23,600)	(23,600)	-	(23,600)
At 31 December 2016	10,000	206,172	614,986	831,158	1,466	832,624
Loss for the year	-	-	(1,767)	(1,767)	(764)	(2,531)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Dividend paid	-	-	(26,365)	(26,365)	-	(26,365)
At 31 December 2017	10,000	206,172	586,854	803,026	702	803,728

The Company	Issued share capital	Share premium	Retained earnings	Total Equity
	N'000	N'000	N'000	N'000
At 1 January 2016	10,000	206,172	554,039	770,211
Profit for the year	-	-	105,460	105,460
Other comprehensive income for the year, net of tax	-	-	-	-
Dividend paid	-	-	(23,600)	(23,600)
At 31 December 2016	10,000	206,172	635,899	852,071
Profit for the year	-	-	1,289	1,289
Other comprehensive income for the year, net of tax	-	-	-	-
Dividend paid	-	-	(26,365)	(26,365)
At 31 December 2017	10,000	206,172	610,823	826,995

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR YEAR ENDED 31 DECEMBER 2017

	Notes	The Group 2017 ₦'000	The Group 2016 ₦'000	The Company 2017 ₦'000	The Company 2016 ₦'000
Cash flows from operating activities					
Profit before taxation		31,295	158,316	35,263	154,157
Non cash adjustment:					
Depreciation of property, plant and equipment	14	72,346	66,014	70,523	64,423
Profit on disposal of property, plant and equipment		(24,850)	-	(24,850)	-
Investment in Harrison Written- Off		-	29,328	-	29,328
Amortisation of intangible assets		4,552	2,624	4,522	2,624
Working capital adjustment:		84,488	256,283	85,489	250,532
Increase in trade and other receivables		(507,055)	(245,514)	(456,404)	(259,973)
Decrease/ (increase) in prepayments		15,138	(13,846)	16,174	(13,750)
Decrease in Inventories		5,070	362	5,070	362
Increase in trade and other payables		184,030	438,810	173,291	456,154
Tax paid	12.2	(4,749)	(3,620)	(4,749)	(3,620)
Net cash (used in)/ provided by operating activities		(223,078)	432,475	(181,129)	429,705
Cash flows from investing activities					
Purchase of property, plant and equipment	14	(20,403)	(99,760)	(20,153)	(94,685)
Purchase of intangible assets	15	(15,697)	(8,208)	(15,697)	(8,208)
Purchase of investment in subsidiary		-	-	(2,110)	-
Proceeds from disposal of property, plant and equipment		296,350	-	296,350	-
Net cash provided by/ (used in) investing activities		260,250	(107,968)	258,390	(102,893)
Cash flows from financing activities					
Proceeds from loans and borrowings		996,434	65,605	996,434	65,605
Repayment of loans and borrowings		(1,006,837)	(345,782)	(1,049,451)	(345,782)
Repayment/ receipt of Finance Lease		(14,527)	41,499	(14,527)	41,499
Dividend paid		(26,365)	(23,600)	(26,365)	(23,600)
Net cash used in financing activities		(53,295)	(282,278)	(93,909)	(262,278)
Net (decrease)/ increase in cash and cash equivalents		(16,123)	62,229	(16,648)	64,534
Cash and cash equivalents at 1 January		53,270	(8,959)	53,340	(11,194)
Cash and cash equivalent as at 31 December	21	37,147	53,270	36,692	53,340

1. Corporate information

Alphamead Facilities Management Services Limited was incorporated on 24 January 2006 as a Private Limited Liability Company in accordance with the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The principal activities of the Group is the provision of Facility Management Services, Project Management and Real Estate Development Consultancy, and Training services support to corporate organisations and private investors with major Real Estate assets .

The consolidated and separate financial statements incorporate the financial statements of Alphamead Facilites and Management Services Limited and its subsidiary - Alphamead Securities Systems and Technologies Limited. Stand-alone financial statement for Alphamead Facilities and Management Services Limited (the Company) has also been presented. The same accounting policies are used by both the Group and the Company.

The financial statement was approved on .... 2018.

2. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its financial statements:

2.1 Basis of preparation

The consolidated and separate financial statements of Alphamead Facilites and Management Services Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria Act No 6, 2011 and Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.These financial statements have been prepared under the historical cost basis.

The Group's consolidated financial statements are presented in Naira, which is also the Parent Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousands unless stated otherwise.

2.2 Basis of Consolidation

The consolidated and separate financial statements comprise the financial statements of the Company "The Group" and its subsidiaries as at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The group's voting rights and potential voting rights

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated and separate financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Subsidiaries are companies in which the Group directly or indirectly holds the majority of the voting rights and where it determines their financial and business policies and is able to exercise control over them in order to benefit from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. The results of the subsidiaries acquired or disposed of during the period are included in the consolidated and separate income statement from the effective acquisition date or up to the effective date on which control ceases, as appropriate. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity.

Inter-company transactions, balances and unrealised gains on transactions between Companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, the investments in subsidiaries are carried at cost.

2.3 Summary of significant accounting policies

The following are the significant accounting policies applied by the Group in preparing the consolidated and separate financial statements.

2.3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue from the provision of service is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

2.3.2 Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to

2.3 Summary of significant accounting policies - Continued

2.3.2 Taxation - Continued

the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Sales tax/Value added Tax (VAT)
Revenues, expenses and assets are recognised net of the amount of sales tax/Vat except:
where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of sales tax/Vat included as appropriate. The net amount of sales tax/Vat recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated and separate statement of financial position.

2.3.3 **Property, plant and equipment**
Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated and separate statement of profit or loss as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate. The useful lives of each class of assets are stated below;

Furniture and fittings	5-7 years
Motor vehicles	4 years
Office equipment and computers	4 years
Loose tools	2 years
Generators	5 years
Freehold land	Nil

Derecognition of property, plant and equipment
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Upon disposal or retirement of property, plant and equipment, the cost and related accumulated depreciation are removed from the consolidated and separate financial statements and any resulting gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated and separate statement of profit or loss in the period in which the item is derecognized.

2.3.4 **Leases**
The determination of whether an arrangement is, (or contains) a lease is based on the substance of the arrangement at date of inception. The arrangement is assessed to determine whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.3 Summary of significant accounting policies – Continued

2.3.4 Leases - Continued

Operating lease payments are recognized as an expense in the consolidated and separate statement profit or loss on a straight-line basis over the lease term. For both finance and operating leases, contingent rents are recognized in the consolidated and separate statement of profit or loss in the period in which they are incurred.

2.3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the consolidated and separate statement of profit or loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.
Intangible assets with finite lives are amortised over their useful economic lives 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 is 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 is accounted for by changing 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 consolidated and separate statement of profit or loss in the expense category consistent with the function of the intangible assets.

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated and separate statement of profit or loss when the asset is de-recognised.

	Useful life
Computer Software	4 years

2.3.6 Foreign currencies

The Group's financial statements are presented in Naira, which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in consolidated profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary item measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item in which case the translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively.

2.3.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or cash generating unit (CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell (FVLCS) and value in use (VIU). 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, in which case, the asset is tested as part of a larger CGU it belongs.

2.3 Summary of significant accounting policies - Continued

2.3.7 Impairment of non-financial assets - Continued

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In calculating VIU, 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 or CGU. In determining FVLCS, 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 Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flow after the fifth year. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in FVLCS calculations.

For assets or CGUs, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset or CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset or CGU in prior years. Such a reversal is recognised in the consolidated profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase and is recognized through other comprehensive income.

2.3.8 **Employee benefit**

Defined Contributions: Pensions

The Group operates a defined contribution plan in line with the provisions of the Pension Reform Act 2004. This plan is in proportion to the services rendered to the Group by the employees with no further obligation on the part of the Group.

The Group and its employees each contribute 10% of employees' current salaries and designated allowances to the scheme. Staff contributions to the scheme are funded through payroll deductions while the group's contribution is recorded as personnel expenses in the consolidated profit or loss.

2.3.9 **Cash and Short term deposit**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the consolidated and separate statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.10 **Provisions, Contingent Liabilities and Contingent Asset**

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. The amount of the liability corresponds to the best possible estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the consolidated and separate statement of profit or loss

Provisions are split between amounts expected to be settled within 12 months of the reporting date (current) and amounts expected to be settled later (non-current).

2.3 Summary of significant accounting policies - Continued

2.3.10 Provisions, Contingent Liabilities and Contingent Asset - Continued

Contingent liabilities and asset
Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the consolidated and separate financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated and separate statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the consolidated profit or loss.

2.3.11 Financial Instruments

Initial recognition and subsequent measurement

i) Financial assets- Initial recognition and measurement
Financial assets in the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which do not include transaction costs. Purchases or sales of financial assets that require delivery of assets in a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date at which the Group commits to purchase or sell the asset.

The Group's financial assets include loans and receivables, available - for - sale investments, cash and short-term deposits, trade and other receivables.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification, as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) 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 EIR. The EIR amortisation is included in finance income in the consolidated profit or loss. The losses arising from impairment are recognised in the consolidated and separate statement of profit or loss in finance costs.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 20.

2.3 Summary of significant accounting policies – Continued

2.3.11 Financial Instruments - Continued

Available-for-sale financial investments
Available-for-sale financial investments include unquoted-equity securities. Equity investments classified as available-for-sale are those, neither classified as held-for-trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at cost since the equity instruments are not quoted in an active market and their fair value cannot be reliably measured, the available-for-sale investment is carried at cost, less accumulated impairment. Unless the valuation falls below its original cost, gains and losses arising from changes in fair value of available-for-sale assets are recognised directly in equity. On disposal the cumulative net gain or loss is transferred to the statement of comprehensive income

The Group evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the intention and ability to hold the financial asset accordingly.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised Consolidated Statement of profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the Consolidated Statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired;
The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group 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 Group 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 Group could be required to repay.

Impairment of financial assets
The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since 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 debtor or a group of debtors is experiencing significant financial

2.3 Summary of significant accounting policies - Continued

2.3.11 Financial Instruments - Continued

difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Group first assesses 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 Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group 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 has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated and separate statement of profit or loss. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the consolidated and separate statement of profit or loss.

ii) **Financial liabilities (Initial recognition and measurement)**
Financial liabilities are classified as financial liabilities at fair value through profit or loss; or as financial liabilities measured at amortized cost, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include interest bearing loans and borrowings.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

Interest bearing loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of 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 consolidated and separate statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings, trade and other payables and bank overdrafts.

2.3 Summary of significant accounting policies - Continued

2.3.11 Financial Instruments - Continued

Derecognition

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated and separate statement of profit or loss.

iii) Offsetting of financial instruments

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

2.3.12 Current versus non-current classification

The group presents assets and liabilities in consolidated and separate statement of financial position based on current/ non-current classification. An asset as current when it is:

- ► Expected to be realised or intended to sold or consumed in normal operating cycle
- ► Held primarily for the purpose of trading
- ► Expected to be realised within twelve months after the reporting period, or
- ► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- ► It is expected to be settled in normal operating cycle
- ► It is held primarily for the purpose of trading
- ► It is due to be settled within twelve months after the reporting period, or
- ► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.13 Inventories

Inventories are defined as assets held for sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. The group's inventories primarily consist of consumables within one accounting period.

Inventories are measured at the lower of cost (determined on a first in first out ('FIFO') basis) and net realizable value. Inventory costs include purchase price, other directly attributable costs incurred in bringing inventories to present location and condition. Where appropriate, allowance is made for slow moving, obsolete and defective stock based on management's estimates on the usability of those stocks.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

2.3.14 Fair value measurement

The group measures financial instruments and non-financial assets such as Land and building, at fair value at each reporting date. However, fair values of financial instruments measured at amortised cost are disclosed in Note 28.

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.

2.3 Summary of significant accounting policies - Continued

2.3.14 Fair value measurement - Continued

The principal or the most advantageous market must be accessible to the Group.

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.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is disclosed in the consolidated and separate financial statements are categorized 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 consolidated and separate financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Use of estimates and judgments

The preparation of the consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgments, estimates and assumptions are required, and where if actual results were to differ, may materially affect the consolidated and separate financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the consolidated and separate financial statements.

Property, plant and equipment

The Group carries its property, plant and equipment at cost in the consolidated and separate statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Group reviewed and estimated the useful lives and residual values of its property, plant and equipment, and account for such changes prospectively.

Impairment of non-current assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring

3. Use of estimates and judgments - Continued

activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. "

Income taxes

Given uncertainties exist with respect to the interpretation of complex tax regulations coupled with the amount and timing of future taxable income as well as the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible tax implications that may result in tax liabilities. The amount of such provisions is based on various factors,

such as experience of previous tax audits and differing interpretations of tax regulations by the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the prevailing circumstances.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

4. **Standard 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: Classification and Measurement

In July 2016, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2017. The adoption of IFRS 9 will not have a significant impact on the classification and measurement of the group's financial assets and liabilities.

IFRS 15 - Revenue from Contracts with Customers.

IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. Standard is effective for annual period beginning on 1 January 2017. The Group is still assessing the impact of this standard.

IFRS 16 - Leases

IFRS 16 replaces IAS 17 Lease and was issued in January 2017. The new standard applies to leases of all assets except: Leases to explore for or use non-regenerative resources ,Leases of biological assets, Service concession arrangements, Licenses of intellectual property granted by a lessor, Rights held by a lessee under certain licensing agreements (e.g., films).

Amendments to existing standards but not yet effective

"The IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets prohibiting the use of revenue-based depreciation methods for fixed assets and limiting the use of revenue-based amortisation methods for intangible assets. The amendments are effective prospectively.

This improvement is effective for the annual periods beginning on or after 1 January 2017. It is not expected that this improvement would be relevant to the Company

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations
Changes in methods of disposal

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.

IFRS 7 Financial Instruments: Disclosures

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.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

4. **Standard issued but not yet effective - Continued**

IFRS 7 Financial Instruments: Disclosures - Continued

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.

Applicability of the offsetting disclosures 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.

IAS 19 Employee Benefits Discount rate: regional market issue

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.

IAS 34 Interim Financial Reporting : Disclosure of information 'elsewhere in the interim financial report

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report).

The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. It is not expected that these improvements would be relevant to the Company.

5a. **group information**
Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal activities	Year of Incorporation	Country of incorporation	% equity interest 2017	2016
Alphamead security and Technology limited	Sale of security equipment	2013	Nigeria	80%	80%
Associate					
The Group has a 49% interest in Cluttons International Limited	Real Estate	2016	Nigeria	49%	49%

6. **Material partly-owned subsidiaries**

Financial information of subsidiaries (Alphamead Security Systems and Technology Limited) that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

	2017	2016
Alphamead Security Systems and Technology Limited	20%	20%

	2017 ₦000	2016 ₦000
Accumulated balances of material non-controlling interest:		
Alphamead Facilities and Management Services Limited		
(Loss)/ Profit allocated to material non-controlling interest:	(764)	590

6. **Material partly-owned subsidiaries - Continued**

The summarised financial information of the subsidiary are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss

	2017 N'000	2016 N'000
Revenue	40,563	41,661
Direct cost	(13,980)	(8,471)
Gross profit	26,583	33,190
Other income	-	-
Administrative expenses	(28,415)	(29,027)
Operating profit	(1,832)	4,163
Finance cost	(2,139)	-
(Loss)/ Profit before taxation	(3,971)	4,163
Taxation	148	(1,210)
(Loss)/ Profit for the year	(3,823)	2,953

Alphamead Security Systems and Technology Limited Summarised Statement of Financial Position

	2017 N'000	2016 N'000
Property, plant and equipment (Non - current)	2,997	4,570
Trade and other receivables; Due from related parties and Prepayments (Current)	39,816	36,343
Cash and bank balances and other current assets (current)	455	163
Deferred tax liabilities	(491)	(822)
Trade and other payable (Current)	(22,664)	(16,268)
Income tax payable and Dividend payable (Current)	(6,072)	(5,889)
Bank Overdraft	-	(233)
Total equity	14,041	17,864
Attributable to:		
Equity holders of parent	11,232	14,291
Non-controlling interest	2,809	3,573
	14,041	17,864

Alphamead Security Systems and Technology Limited summarized cash flow information

	2017 N'000	2016 N'000
Operating	776	2,770
Investing	(251)	(5,075)
Net increase/ (decrease) in cash and cash equivalents	455	(2,305)

		The Group		The Company	
		2017	2016	2017	2016
		N'000	N'000	N'000	N'000
7.	**Revenue**				
	Facility Management fee	3,474,993	1,604,496	3,474,993	1,604,496
	Facility Management Training	19,878	21,919	19,878	21,919
	Reimbursable	236,867	1,907,280	236,867	1,907,280
	Sales of security equipments	40,563	41,661	-	-
		3,772,301	3,575,356	3,731,738	3,533,695
8.	**Direct operating expenses**				
	Project expenses	2,645,361	2,417,817	2,631,382	2,409,345
		2,645,361	2,417,817	2,631,382	2,409,345
9.	**Other operating income**				
	Profit on disposal of property plant and equipment	24,850	-	24,850	-
	Management oversight fee	-	104	2,039	2,196
	Sundry income	12,769	-	12,769	-
		37,619	104	39,658	2,196

Sundry income relates to one off fees earned on the preparation of infrastructure deficit report to a third party including finders fees earned on the provision of support for disposal of third party assets.

		The Group 2017	The Group 2016	The Company 2017	The Company 2016
10.	**Administrative expenses**				
	Advertising	1,968	1,398	1,968	1,398
	Audit fees	7,600	6,000	6,500	5,000
	Bank Charges	13,315	8,956	13,252	8,900
	Depreciation of property, plant and equipment	72,346	66,014	70,523	64,423
	Bad debt written off	7,492	-	7,492	-
	Amortization of intangible assets	4,552	2,624	4,552	2,624
	Entertainment	37,862	14,041	37,851	14,041
	Insurance	5,570	1,644	5,298	1,546
	Communication	48,859	29,931	48,656	29,507
	Directors fees and allowances	22,867	22,867	16,500	16,500
	Printing and postages	19,208	9,474	18,856	9,425
	Professional services	41,101	31,943	39,771	31,203
	Public relations	14,000	13,383	14,000	13,233
	Repairs and maintenance	70,071	54,258	69,291	53,784
	Registration and licenses	-	28	-	-
	Employee benefits (Note 10.1)	503,557	401,959	491,741	389,855
	Staff welfare	19,715	11,294	19,715	11,294
	Fines and penalties	205	30	205	30
	Rent	8,358	12,025	8,358	12,025
	Other Expenses	65,175	45,130	64,892	44,608
	Training and development	18,296	24,934	18,296	24,838
	Transport and Travelling	20,074	40,731	18,100	37,564
	Discount Allowed	-	10,644	-	10,644
	Exchange Loss	1,937	284	1,937	284
	Loss on Investment in Harisson	-	29,328	-	29,328
	Impairment loss on receivables	93,066	76,304	93,066	76,232
		1,097,194	915,224	1,070,820	888,286

10. Administrative expenses - Continued

Other expenses comprised vehicle running expenses, subscription, generator running expenses and office running expenses.

		The Group		The Company	
		2017	2016	2017	2016
		N'000	N'000	N'000	N'000
10.1	**Employee benefits expense**				
	Included in Administrative expenses				
	Salaries and wages	441,389	361,544	429,937	349,833
	Pension costs	27,560	30,457	27,196	30,064
	Medical	34,608	9,958	34,608	9,958
	Total employee benefits expense	503,557	401,959	491,741	389,855
11.	**Finance cost**				
	Interest on loans and borrowings	32,181	64,604	31,258	64,604
	ASCOMS Interest	3,889	19,499	2,673	19,499
		36,070	84,103	33,931	84,103

12. **Taxation**

12.1 **Consolidated and separate statement of Profit or loss**
The income tax charge for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	The Group		The Company	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Current income tax:				
Income tax	48,207	39,210	48,024	38,416
Education tax	3,678	4,368	3,678	4,251
	51,885	43,578	51,702	42,667
Deferred tax relating to origination and reversal of temporary difference (Note 12.3)	(18,059)	6,329	(17,728)	6,030
Income tax expense reported in the profit or loss	33,826	49,907	33,974	48,697

12.1 Consolidated and separate statement of Profit or loss - Continued

	The Group		The Company	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Accounting profit before taxation	31,295	158,316	35,263	154,157
Statutory income tax @ 30%	9,389	47,133	10,578	46,247
Disallowable expenses	52,597	18,015	52,050	17,516
Education tax @ 2% of assessable profit	3,678	4,368	3,678	4,251
Non taxable income	(7,455)	-	(7,455)	-
Capital allowance utilised	(7,149)	(25,639)	(7,149)	(25,347)
Accelerated depreciation for tax purposes	(17,234)	6,030	(17,728)	6,030
Income tax expense reported in the profit or loss	33,826	49,907	33,974	48,697
Effective tax rate	108%	31%	96%	31%

	The Group		The Company	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
12.2 Income tax payable				
At 1 January	242,125	202,167	236,236	197,189
Charge for the year	51,885	43,578	51,702	42,667
Payment during period	(4,749)	(3,620)	(4,749)	(3,620)
At 31 December	289,261	242,125	283,189	236,236
12.3 Deferred tax				
Statement of financial position				
At 1 January	40,124	33,795	38,241	32,211
Recognised in profit or loss	(18,059)	6,329	(17,728)	6,030
At 31 December	22,065	40,124	20,513	38,241
12.4 Deferred tax relates to the following				
Property plant and equipment	21,003	29,722	20,513	28,922
Revaluation of building	-	9,319	-	9,319
Provisions	1,062	1,083	-	-
	22,065	40,124	20,513	38,241

12. Deferred tax - Continued

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to offset current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by same authority.

13. Earnings per share - Basic

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

The following reflects the income and share data used in the basic earnings per share computations:

	Group	
	2017	2016
	N'000	N'000
(Loss)/ profit attributable to ordinary equity holders	(2,531)	108,409
	in thousands	in thousands
Weighted average number of ordinary shares for basic earnings per share	10,000	10,000
	N	N
Basic (loss)/ earnings per share	(0.25)	11.00

	Company	
	2017	2016
	N'000	N'000
Net profit attributable to ordinary equity holders	1,289	105,460
	in thousands	in thousands
Weighted average number of ordinary shares for basic earnings per share	10,000	10,000

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

	N	N
Basic earnings per share	0.13	11.00

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

14. Property plant and equipment (The Group)

	Freehold land	Motor vehicles	Office equipments and computers	Furniture and fitting	Generators	Loose tools	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Cost/ Valuation							
At 1 January 2016	271,500	104,300	56,215	34,158	118,566	9,897	594,636
Addition	-	82,877	12,319	3,395	-	1,169	99,760
At 31 December 2016	271,500	187,177	68,534	37,553	118,566	11,066	694,396
Addition	-	250	14,220	5,681	-	252	20,403
Disposal	(271,500)	-	-	-	(7,500)	-	(279,000)
At 31 December 2017	-	187,427	82,754	43,234	111,066	11,318	435,799
Depreciation							
At 1 January 2016	-	51,888	40,087	13,809	85,709	9,461	200,954
Charge for the year	-	34,932	9,761	6,562	13,661	1,098	66,014
At 31 December 2016	-	86,820	49,848	20,371	99,370	10,559	266,968
Charge for the year	-	39,339	11,389	7,200	13,661	758	72,346
Disposal	-	-	-	-	(7,500)	-	(7,500)
At 31 December 2017	-	126,159	61,237	27,571	105,531	11,317	331,814
Net Book Value							
At 31 December 2017	-	61,268	21,517	15,663	5,535	1	103,985
At 31 December 2016	271,500	100,357	18,686	17,182	19,196	507	427,428

14. Property, plant and equipment (The Company)

	Land	Motor Vehicles	Office equipments and computers	Furniture and fittings	Generators	Loose tools	Totals
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At 1 January 2016	271,500	102,080	56,107	34,158	118,566	9,897	592,308
Addition	-	77,877	12,244	3,395	-	1,169	94,685
At 31 December 2016	271,500	179,957	68,351	37,553	118,566	11,066	686,993
Addition	-	-	14,220	5,681	-	252	20,153
Disposal	(271,500)	-	-	-	(7,500)	-	(279,000)
At 31 December 2017	-	179,957	82,571	43,234	111,066	11,318	428,146
Depreciation							
At 1 January 2016	-	50,719	40,014	13,809	85,710	9,461	199,712
Charge for the year	-	33,389	9,713	6,562	13,661	1,098	64,423
At 31 December 2016	-	84,108	49,727	20,371	99,371	10,559	264,135
Charge for the year	-	37,534	11,370	7,200	13,661	758	70,523
Disposal	-	-	-	-	(7,500)	-	(7,500)
At 31 December 2017	-	121,642	61,097	27,571	105,532	11,317	327,158
Net Book Value							
At 31 December 2017	-	58,315	21,474	15,663	5,534	1	100,988
At 31 December 2016	271,500	95,849	18,624	17,182	19,195	507	422,858

15. Intangible assets

	The Group		The Company	
	Software	Total	Software	Total
	N'000	N'000	N'000	N'000
Cost				
At 1 January 2016	7,294	7,294	7,294	7,294
Addition	8,208	8,208	8,208	8,208
At 1 January 2017	15,502	15,502	15,502	15,502
Addition	15,697	15,697	15,697	15,697
At 31 December 2017	31,199	31,199	31,199	31,199
Amortisation				
At 1 January 2016	3,080	3,080	3,080	3,080
Charge for the year	2,624	2,624	2,624	2,624
At 1 January 2017	5,704	5,704	5,704	5,704
Charge for the year	4,552	4,552	4,552	4,552
At 31 December 2017	10,256	10,256	10,256	10,256
Net Book Value				
At 31 December 2017	20,943	20,943	20,943	20,943
At 31 December 2016	9,798	9,798	9,798	9,798

16. **Investment in subsidiary**

	The Company 2017 ₦'000	The Company 2016 ₦'000
Investment in Alpha mead Security Systems and Technology Limited		
At 1 January 2016	5,890	5,890
Addition	2,110	-
31 December 2017	8,000	5,890

17. **Investment in Associate.**

	The Company 2017 ₦'000	The Company 2016 ₦'000
Initial investment	4,900	4,900
Share of loss for the year	-	-
Carrying value of investment in associate	4,900	4,900

Investment in associate

The group has a 49% interest in Cluttons International Limited, which is involved in property management. Cluttons International Limited is a private entity that is not listed on any stock exchange. The group's interest in Cluttons is accounted for using the equity method in the consolidated and separate financial statements. The following table illustrates the summarised financial information of the Group's investment in Cluttons International Limited:

	31 December 2017 ₦'000	31 December 2016 ₦'000
Current assets	18,746	36,404
Non-current assets	1,396	1,921
current liabilities	(2,649)	(60,364)
Non-current liabilities	(16,432)	-
Net Equity	(23,939)	(22,039)
Group share of net asset of the Associate	(11,370)	(10,799)

17. Investments in associate - Continued

	2017	2016
	N'000	N'000
Revenue	49,734	79,783
Cost of sales	(39,426)	(51,012)
Administrative expenses	(12,208)	(7,248)
Profit before taxation	(1,900)	21,523
Income tax expense	-	-
(Loss)/ profit for the year	(1,900)	21,523
Group share of (Loss)/ profit for the year.	(930)	10,547

At the end of the reporting period, the Group determines whether there is objective evidence that the investment in associate is impaired. The group did not recognize a share of profit during the year because the profit made by Cluttons International Limited in 2017 is below the loss recognized in the previous period. The accumulated net loss carried forward is (N 10,799). The huge loss recognised by the company in 2016 was as a result of huge pre-incorporation expenses incurred which impacted greatly on the profit for the year.

The associate had no contingent liabilities or capital commitments as at 31 December 2017 (31 December 2016: Nil).

	The Group		The Company	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
18. Inventories				
Spare parts	-	3,262	-	3,262
Consumables	4,784	6,592	4,784	6,592
	4,784	9,854	4,784	9,854
19. Trade and other receivables				
Trade receivables	1,104,509	1,067,724	1,102,597	1,066,501
Impairment provision	(93,594)	(76,304)	(93,522)	(76,232)
	1,010,915	991,420	1,009,075	990,269
Other receivables(Note 19.1)	1,494,207	1,058,828	1,515,556	1,077,958
	2,505,122	2,050,248	2,524,631	2,068,227

For terms and conditions relating to related party receivables, refer to Note 25.
Trade receivables are non-interest bearing and are generally on 30-90 day terms.
Receivables from related parties are non-interest bearing and are generally on terms of 30-90 days term.

	The Group		The Company	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
19.1 Other receivables				
Due from related parties (Note 25)	647,712	803,082	672,811	824,428
Deposit for shares	300,000	-	300,000	-
Staff advance	623	1,074	623	1,074
Value added tax	2,645	579	2,059	496
With-holding tax	536,813	251,479	533,649	249,346
Project Cash Advance	5,358	2,614	5,358	2,614
Director's current account	1,056	-	1,056	-
	1,494,207	1,058,828	1,515,556	1,077,958

19. Trade and other receivables - continued

Impairment of other receivables
Impairment is shown on trade receivables is as follows:

As at 31 December, the ageing analysis of trade receivables is as follows:

Group	Total	Neither past due nor impaired	Past due but not impaired			
			60-90 days	90-120days	120-150	150-180
		N'000	N'000	N'000	N'000	N'000
2017	1,010,915	296,008	98,688	65,224	18,864	532,131
2016	991,420	84,696	203,418	42,414	50,510	610,382

Company	Total	Neither past due nor impaired	Past due but not impaired			
			60-90 days	90-120days	120-150	150-180
		N'000	N'000	N'000	N'000	N'000
2017	1,009,075	294,168	98,688	65,224	18,864	532,131
2016	990,269	84,696	203,418	42,414	50,510	609,231

See Note 26 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

	The Group 2017	The Group 2016	The Company 2017	The Company 2016
	N'000	N'000	N'000	N'000
20. Prepayments				
Insurance	555	3,550	427	3,454
Internet	-	290	-	290
Other	1,395	1,969	1,395	1,969
Rent	9,500	13,146	9,500	13,146
Health Management Organisation	225	8,862	225	8,862
	11,675	27,817	11,547	27,721

Other prepayments represents unamortised value of software license.

	The Group 2017	The Group 2016	The Company 2017	The Company 2016
	N'000	N'000	N'000	N'000
21. Cash and short term deposit				
Cash on hand	455	862	-	699
Cash at bank	36,692	56,559	36,692	56,559
	37,147	57,421	36,692	57,258

Cash at banks earns interest at floating rates based on daily bank deposit rates.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

	The Group 2017 N'000	The Group 2016 N'000	The Company 2017 N'000	The Company 2016 N'000
Cash and short-term deposits	37,147	57,421	36,692	57,258
Bank overdrafts	-	(4,151)	-	(3,918)
Cash and cash equivalents	37,147	53,270	36,692	53,340

22. Issued share capital

	The Group 2017 N'000	The Group 2016 N'000	The Company 2017 N'000	The Company 2016 N'000
Authorised:				
10,000,000 ordinary share capital @N1 each	10,000	10,000	10,000	10,000
Issued and fully paid capital@N1 each	10,000	10,000	10,000	10,000

23. Interest bearing loans and borrowings

	The Group 2017 N'000	The Group 2016 N'000	The Company 2017 N'000	The Company 2016 N'000
First City Monument Bank Plc	-	1,482	-	1,482
Bank overdraft	-	4,151	-	3,918
Stanbic IBTC Bank	-	43,260	-	43,260
Guaranty Trust Bank	15,205	-	15,205	
Fidelity Bank	923	-	-	-
FCMB Finance Lease	26,973	41,499	26,973	41,499
Stanbic IBTC IDF	43,734	65,605	43,734	65,605
Total	86,835	155,997	85,912	155,764
Current portion	58,939	70,793	59,976	70,560
Non - current portion	27,896	85,204	25,936	85,204
	86,835	155,997	85,912	155,764

Terms and conditions of the loan.

Stanbic IBTC Bank

This relates to the N32.15million and N33.45million invoice discounting facilities obtained from Stanbic IBTC Bank for the purpose of running of the Group's day to day operational activities and from the discounting of invoice from some specified customers and other principal on the Bank's approved list. The IDF is available for 12 months with 25% interest payable per annum at 70% of the invoiced amount up to a limit of N200million. The IDF is secured by personal guarantee of the Group Managing Director.

First City Monument Bank

The ₦3.6 million loan obtained from FCMB is for the purpose of part financing the acquisition of motor vehicle for official use. The loan has a tenor of 36 months and an interest rate of 20%. The loan is secured by the security document of the purchased motor vehicles.

First Bank Plc

This relates to series of loan and N103.2Million term loan and N100Million invoice discounting obtained from First bank for the purpose of running of the Company's day to day operational activities and from the discounting of invoice from some specified customers and other principal on the bank's approved list.

Fidelity Bank

This relates to the ₦8.8million asset finance facility obtained to part - finance the purchase of a motor vehicle. The facility is repayable in 24 months from day of set up at the rate of 24% per annum. The facility is secured by personal guarantee of the Group Managing Director, supported by his notarized statement of worth.

23. **Interest bearing loans and borrowings - Continued**

Terms and conditions of the finance lease.

FCMB finance lease entered into in 2016 was for the purchase of 13 motor vehicles at a principal of N 51.38 million and monthly instalments of 1.99 million over a tenor of 36 months at an interest rate of 23% with an option of acquiring ownership of the motor vehicles upon liquidation of the facility at 1% of the facility amount.

		The Group		The Company	
		2017	2016	2017	2016
		N'000	N'000	N'000	N'000
24.	**Trade and other payables**				
	Trade payable	548,502	469,556	547,739	468,234
	Other Payables(Note 24.1)	933,265	842,140	948,137	855,960
		1,481,767	1,311,696	1,495,876	1,324,194
24.1	**Other payables**				
	Pay as you earn	254,935	169,669	254,607	168,325
	Pension	109,480	90,169	107,891	89,737
	With-holding tax	102,043	49,046	101,514	48,986
	Deferred income	44,993	49,009	44,993	49,009
	Due to related parties (Note 25)	29,779	37,815	59,837	61,582
	Directors fees and allowances	21,593	42,203	21,593	42,203
	Value added tax	200,279	155,847	196,102	152,864
	Dividend payable	28,222	15,049	28,222	15,049
	Accrued Expenses	74,419	149,433	72,922	147,264
	Staff Co - operative	49,352	57,753	42,483	54,856
	Salaries	12,157	24,035	12,066	24,035
	Insurance Claim	-	107	-	107
	National Housing Fund	6,013	2,005	5,907	1,943
		933,265	842,140	948,137	855,960

Terms and conditions of the above financial liabilities:

Other payables are non-interest bearing and have an average term of six months
The directors' fees and allowances incorporates the fees and Business Travel Allowances (BTA) due to Non- Executive Directors as well as vehicle, education, housing, passage and travelling allowances due to Executive Directors at 31 December 2017.

For terms and conditions with related parties, refer to Note 25.
For explanations on the Group's credit risk management processes, refer to Note 26.

25. **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 other entity over which key management exercise control. The key management personnel have been identified as the 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.

25. **Related Party transactions - Continued**

Alphamead Facilities and Management Services Limited, Ghana
Alphamead Facilities and Management Services Limited is a subsidiary of the Company. Alpha Mead Facilities and Management Services Limited provides monthly floats for business operations of the subsidiary.

Alphamead Security Systems and Technology Limited
Alphamead Security Systems and Technology Limited is a subsidiary of the Company. Alpha Mead Facilities and Management Services Limited makes payments to suppliers on behalf of Alpha mead Security Systems and Technology Limited

Alphamead Development Company Limited
Alphamead Development Company Limited is an affiliate of the Company. Alpha Mead Facilities and Management Services Limited makes payments to suppliers on behalf of Alpha mead Development Company Limited

Cluttons International Limited
Cluttons International Limited is an associate of the Company. Alpha Mead Facilities and Management Services Limited incurs operational expenses on behalf of Cluttons International Limited.

Alphamead Facilities and Management Services Limited, Senegal
Alphamead Facilities and Management Services Limited, Senegal is a subsidiary of the Company which was incorporated during the year. Alpha Mead Facilities and Management Services Limited makes payments to suppliers on behalf of Alpha mead Facilities and Management Services Limited, Senegal.

Alphamead Healthcare Services
Alphamead Healthcare Services is a subsidiary of Alphamead Facilities and management services Limited which was incorporated during the year. Alpha Mead Facilities and Management Services Limited makes payments to suppliers on behalf of Alphamead Healthcare Services.

Alphamead Capital Partners Limited
Alphamead Capital Partners Limited is an Associate of Alphamead Facilities and management services Limited which was incorporated during the year. Alpha Mead Facilities and Management Services makes payments to suppliers on behalf Alphamead Capital Partners Limited

Other Directors' interests:

Primrose Properties Investment Limited
The company charges facility management fees on properties that are managed by Primrose Properties Investment Limited of which one of the Directors is a controlling shareholder.

Alpha Infinity Ventures Limited
The company makes purchases at market rate from Alpha Infinity Ventures Limited of which the spouse of one of the Directors is a controlling shareholder.

Basscom Nigeria Limited
The company makes purchases at market rate from Basscom Nigeria Limited of which one of the Directors is a controlling shareholder.

25. Related Party transactions - Continued

The group entered into the following transactions with the related parties during the reporting period

Group	Transactions with related parties		2017		2016	
	Receipts/ Purchases	Payments/ Sales	Balance receivables	Balance payables	Balance receivables	Balance payables
	N'000	N'000	N'000	N'000	N'000	N'000
Alphamead Facilities and Management Services Limited, Ghana	10,081	4,372	38,382	-	44,092	
Alphamead Security Systems and Technology Limited	22,027	23,221	-	-	-	17,742
Alpha mead Development Company Limited	154,895	78,357	552,953	-	626,407	5,000
Cluttons International Limited	35,576	-	-	-	20,700	-
Primrose Properties Investment Limited	98,730	-	-	-	98,730	-
Alpha mead Facilities and Management Services Limited, Senegal	-	15,125	18,864	-	3,739	-
Alphamead Healthcare Services	2,497	29,580	35,996	-	9,414	-
Alphamead Capital Partners Limited	-	14,453	14,453			
Alpha Infinity Ventures Limited	92,402	75,822	-	29,749	-	13,167
Basscom Nigeria Limited	-	1,876	-	30	-	1,906
			647,712	29,779	803,082	37,815

The company entered into the following transactions with related parties during the year

Company	Transactions with related parties		2017		2016	
	Receipts/ Purchases	Payments/ Sales	Balance receivables	Balance payables	Balance receivables	Balance payables
	N'000	N'000	N'000	N'000	N'000	N'000
Alphamead Facilities and Management Services Limited, Ghana	10,081	4,372	38,382	-	44,092	-
Alphamead Security Systems and Technology Limited	22,027	23,221	-	30,059	-	46,509
Alpha mead Development Company Limited	154,895	78,357	556,206	-	626,407	-
Cluttons International Limited	35,576	-	8,410	-	42,046	-
Primrose Properties Investment Limited	98,730	-	-	-	98,730	-
Alpha mead Facilities and Management Services Limited, Senegal	-	15,125	18,864	-	3,739	-
Alphamead Healthcare Services	2,497	29,580	36,496	-	9,414	-
Alphamead Capital Partners Limited	-	14,453	14,453	-		
Alpha Infinity Ventures Limited	92,402	75,822	-	29,748	-	13,167
Basscom Nigeria Limited	-	1,876	-	30	-	1,906
			672,811	59,837	824,428	61,582

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at period end are unsecured and interest free and it has no set repayment terms. There have been no guarantees provided or received for any related party receivables or payables. For the year period ended 31 December 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

25. Related Party transactions - Continued

Information relating to Directors and employees

Personnel expenses comprises of the following.

	The Group 2017 N000	The Group 2016 N000	The Company 2017 N000	The Company 2016 N000
Salaries and wages	441,389	361,544	429,937	349,833
Pension costs	27,560	30,457	27,196	30,064
Medical	34,608	9,958	34,608	9,958
Staff welfare	19,715	11,294	19,715	11,294
Directors fees and allowance	22,867	22,867	16,500	16,500
Training and development	18,296	24,934	18,296	24,838
	564,435	461,054	546,252	442,487

The number of employees whose emoluments, excluding allowances were within the following ranges was:

	The Group 2017 Number	The Group 2016 Number	The Company 2017 Number	The Company 2016 Number
N 200,001 - N300,000	29	26	27	26
N300,001 - N400,000	31	37	30	37
N400,001 - N500,000	13	11	12	11
N500,001 - N600,000	100	47	99	46
N600,001 - N700,000	69	130	67	128
N700,001 - N800,000	59	70	58	70
N800,001 - N900,000	41	30	41	27
N900,001 - N1,000,000	8	23	7	22
N1,000,001 - N2,000,000	91	96	88	94
N2,000,001 - N3,000,000	48	43	48	42
N3,000,001 and above	77	90	76	88
	566	603	553	591

Compensation of key management personnel

	2017 N000	2016 N000
Directors emoluments	81,696	66,655
Directors fees and allowances	22,867	16,500
	104,563	83,155
Highest paid Director	81,696	66,655

The average number of persons, excluding directors, employed by the company during the year was as follows:

	The Group 2017 Number	The Group 2016 Number	The Company 2017 Number	The Company 2016 Number
Commercial	13	11	13	11
Operations	491	533	479	521
Finance	15	11	14	11
Corporate Services	47	48	47	48
	566	603	553	591

26 Financial Risk Management objectives and policies

The group's principal financial liabilities comprise, trade and other payables, loans and borrowings. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The group has trade and other receivables, and cash and cash equivalent that derive directly from its operations. The group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. The group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Financial Risk Committee provides assurance to the Group'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 Group policies and Group risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Financial market risk

Financial market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, foreign currency risk, credit risk, liquidity and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and trade and other payables.

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 group is not exposed to the risk of changes in market interest rates since all its loan obligations are fixed.

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the risk of changes in foreign currency risks.

Credit risk

Credit risk is managed on Group basis, except for credit risk relating to accounts receivable balances. Each company is responsible for managing and analysing the credit risk for both existing and new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents, and short term deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group assesses the credit quality of the customers, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored to ensure debts are easily collected.

The Group places premium on maintaining credit limits to ensure that there is little or no losses from non-performance by those counterparties. This explains why no impairment loss has not been recognized as all receivable outstanding are collectable with the given credit limits.

The table below shows the Group and the company's respective maximum exposure to credit risk:

	The Group		The Company	
	2017	2016	2017	2016
	₦000	₦000	₦000	₦000
Trade receivables	1,010,915	991,420	1,009,075	990,269
Cash and short term deposits	37,147	57,421	36,692	57,258
Due from related parties	647,712	803,082	672,811	824,428

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Cash flow forecasting is performed in the operating companies of the group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient funds on a regular basis so that the Group does not breach borrowing covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable external regulatory or legal requirements for example, currency restrictions. Surplus cash held by the operating Companies over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, short term deposits, and other similar security.

26. **Financial Risk Management objectives and policies - Continued**

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

The Group	Carrying amount	Contractual cashflow	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
	₦000	₦000	₦000	₦000	₦000	₦000	₦000
31 December 2017							
Trade and other payables	1,481,767	1,481,767	-	857,675	468,069	156,023	-
Interest-bearing loans and borrowings	86,835	86,835	-	26,051	8,683	52,101	-
	1,568,602	1,568,602	-	883,726	476,752	208,124	-
30 September 2016							
Trade and other payables	1,311,696	1,311,696	-	132,217	785,970	393,509	-
Interest-bearing loans and borrowings	155,997	155,997	-	20,793	50,000	85,204	-
	1,467,693	1,467,693	-	153,010	835,970	478,713	

26. **Financial Risk Management objectives and policies - Continued**

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

The Company	Carrying amount	Contractual cashflow	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
	₦000	₦000	₦000	₦000	₦000	₦000	₦000
31 December 2017							
Trade and other payables	1,495,876	1,495,876	-	403,612	936,227	156,037	-
Interest-bearing loans and borrowings	85,912	85,912	-	25,128	8,683	52,101	-
	1,581,788	1,581,788	-	428,740	944,910	208,138	-
30 September 2016							
Trade and other payables	1,324,194	1,324,194	-	227,724	712,970	383,500	-
Interest-bearing loans and borrowings	155,764	155,764	-	14,112	56,448	85,204	-
	1,479,958	1,479,958	-	241,836	769,418	468,704	

27. Fair value

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

The Group

	Carrying value 2017 N'000	Carrying value 2016 N'000	Fair Value 2017 N'000	Fair Value 2016 N'000
Financial assets				
Trade and other receivables	2,505,122	2,050,248	2,505,122	2,088,648
Cash and short term deposits	37,147	57,421	37,147	57,421
Total	2,542,269	2,107,669	2,542,269	2,146,069
Financial liabilities				
Interest-bearing loans and borrowings	86,835	156,501	86,835	155,997
Trade and other payables	1,481,767	1,311,696	1,481,767	1,311,696
	1,568,602	1,468,197	1,568,602	1,467,693

The Company

	Carrying value 2017 N'000	Carrying value 2016 N'000	Fair Value 2017 N'000	Fair Value 2016 N'000
Financial assets				
Trade and other receivables	2,524,631	2,030,395	2,524,631	2,106,627
Cash and short term deposits	36,692	57,258	36,692	57,258
Total	2,561,323	2,087,653	2,561,323	2,163,885
Financial liabilities				
Interest-bearing loans and borrowings	85,912	156,268	85,912	155,997
Trade and other payables	1,495,876	1,324,194	1,495,876	1,324,194
	1,581,788	1,480,462	1,581,788	1,480,191

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, 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 Group's interest-bearing loans and borrowings 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. Obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.

Trade receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

28. Capital management

The directors consider that capital includes net debt and equity attributable to the equity holders of the Group.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain the capital structure, the Group may change the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 December 2017 (31 December 2016).

The group monitors capital using a gearing ratio, which is total capital divided by net debt. The group includes within net debt, trade and other payables, less cash and cash equivalents.

	The Group	
	2017	2016
	N'000	N'000
Interest-bearing loans and borrowings	86,835	155,997
Trade and other payables (Note 24)	1,481,767	1,311,696
Less cash and short deposits	(37,147)	(57,421)
Net debt	1,531,455	1,410,272
Equity	803,728	832,624
Capital and net debt	2,335,183	2,242,896
Gearing (%)	64%	62%

	The Company	
	2017	2016
	N'000	N'000
Interest-bearing loans and borrowings	85,912	155,764
Trade and other payables (Note 24)	1,495,876	1,324,194
Less cash and short term deposits	(36,692)	(57,258)
Net debt	1,545,096	1,422,700
Equity	826,995	852,071
Capital and net debt	2,372,091	2,274,771
Gearing (%)	66%	62%

29. **Capital Commitments and contingencies**

The group has finance leases for various items of its motor vehicles. The group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases, together with the present value of the net minimum lease payments are, as follows:

	2017		2016	
	Minimum Payments	Present Value of Payments	Minimum Payments	Present Value of Payments
	N'000	N'000	N'000	N'000
Within one year	17,906	16,155	17,906	16,155
After one year but not more than five years	53,718	33,683	53,718	33,683
More than five years	-	-	-	-
Total minimum lease payments	71,624	49,838	71,624	49,838
Less amounts representing finance charges	(21,785)	-	(21,785)	-
Present value of minimum lease payments	49,839	49,838	49,839	49,838

The finance lease in 2017 and 2016 was for the purchase of 13 motor vehicles at a principal of N 51.38 million and monthly instalments of 1.99million over a tenor of 36 months at an interest rate of 23% with an option of acquiring ownership of the motor vehicles upon liquidation of the facility at 1% of the facility amount.

Contingent liabilities
There were no contingent liabilities as at 31 December 2017 (2016: Nil)

30. **Events after the reporting date**

No event or transaction have occurred after the reporting date which would have a material effect upon the consolidated and separate financial statements at the date of which would need to be mentioned in the consolidated and separate financial statements in order to make them not misleading as to the financial position or result of operations.

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

VALUE ADDED STATEMENT

FOR YEAR ENDED 31 DECEMBER 2017

	THE GROUP			
	2017 ₦'000		2016 ₦'000	
Revenue	3,772,301		3,575,532	
Bought in materials and services - Local	(3,101,222)		(2,803,524)	
	671,079		772,008	
Other operating income	37,619		104	
Value added	708,698		772,112	
Applied as follows:				
		%		%
To employees:				
- as salaries and labour related expenses	564,435	80	461,054	60
To providers of capital:				
- as interest	36,070	5	84,103	11
To government:				
- as company taxes	51,885	7	43,578	5
Retained for the company's future:				
- for assets replacement (Depreciation)	72,346	10	66,015	8
- Amortisation	4,552	1	2,624	1
- deferred taxation	(18,059)	(3)	6,329	2
- (Loss)/ profit for the period	(2,531)	-	108,409	13
	708,698	100	772,112	100

* Salaries and labour related expenses comprises of salaries and wages, staff welfare and staff training expenses

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

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

VALUE ADDED STATEMENT

FOR YEAR ENDED 31 DECEMBER 2017

	THE COMPANY			
	N'000		N'000	
Revenue	3,731,738		3,533,695	
Bought in materials and services - Local	(3,080,875)		(2,788,097)	
	650,863		745,598	
Other operating income	39,658		2,196	
Value added	690,521		747,794	
Applied as follows:				
To employees:		%		%
- as salaries and labour related expenses *	546,252	79	442,487	58
To providers of capital:				
- as interest	33,931	5	84,103	11
To government:				
- as company taxes	51,702	7	42,667	6
Retained for the company's future:				
- for assets replacement (Depreciation)	70,523	10	64,423	9
- Amortisation of intangible assets	4,552	1	2,624	1
- deferred taxation	(17,728)	(2)	6,030	2
- profit for the period	1,289	-	105,460	13
	690,521	100	747,794	100

* Salaries and labour related expenses comprises of salaries and wages, staff welfare and staff training expenses

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

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

FIVE-YEAR FINANCIAL SUMMARY - THE GROUP

GROUP	31 DECEMBER 2017 ₦'000	2016 ₦'000	2015 ₦'000	2014 ₦'000	2013 ₦'000
Statement of financial position					
Assets and liabilities:					
Property, plant and equipment	103,985	427,428	393,682	469,136	740,290
Intangible assets	20,943	9,798	4,214	6,038	1,314
Available - for - sale investment	-	-	29,328	44,435	38,419
Net current assets	728,761	520,726	695,181	419,228	6,575
Interest bearing loans and borrowings	(27,896)	(85,204)	(340,795)	(247,180)	(154,015)
Deferred tax	(22,065)	(40,124)	(33,795)	(972)	(448)
	803,728	832,624	747,815	690,685	632,135
Shareholders' fund					
Issued share capital	10,000	10,000	10,000	10,000	10,000
Share premium	206,172	206,172	206,172	206,172	206,172
Retained earnings	586,854	614,986	530,767	475,185	415,963
Non - controlling interest	702	1,466	876	(672)	-
	803,728	832,624	747,815	690,685	632,135

	2017 ₦'000	2016 ₦'000	2015 ₦'000	2014 ₦'000	2013 ₦'000
Revenue	3,772,301	3,575,536	3,657,959	2,043,965	1,682,560
Profit before taxation	31,295	158,316	175,394	240,598	287,586
Income tax expense	(33,826)	(49,907)	(100,290)	(82,048)	(79,911)
(Loss)/ profit after Taxation	(2,531)	108,409	75,104	158,550	207,675
Basic (loss)/ earnings per share (Naira)	(0.25)	11.00	8.00	16.00	20.00

ALPHAMEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

FIVE-YEAR FINANCIAL SUMMARY - THE COMPANY

COMPANY	2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000
Statement of financial position					
Assets and liabilities:					
Property, plant and equipment	100,988	422,858	392,596	466,483	740,290
Intangible assets	20,943	9,798	4,214	6,038	1,314
Investment in subsidiary	8,000	5,890	5,890	5,890	-
Available for sale	-	-	29,328	44,435	38,419
Investment in associate	4,900	4,900	4,900	-	-
Net current assets	738,613	532,070	706,289	419,353	6,575
Interest bearing loans and borrowings	(25,936)	(85,204)	(340,795)	(247,180)	(154,015)
Deferred tax	(20,513)	(38,241)	(32,211)	(441)	(448)
	826,995	852,071	770,211	694,578	632,135
Shareholders' fund					
Issued share capital	10,000	10,000	10,000	10,000	10,000
Share premium	206,172	206,172	206,172	206,172	206,172
Retained earnings	610,823	635,899	554,039	478,406	415,963
	826,995	852,071	770,211	694,578	632,135

	2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000
Revenue	3,731,738	3,533,695	3,597,911	2,036,055	1,682,560
Profit before taxation	35,263	154,157	187,866	243,960	287,586
Income tax expense	(33,974)	(48,697)	(94,259)	(81,517)	(79,911)
Profit after taxation	1,289	105,460	93,607	162,443	207,675
Basic earnings per share (Naira)	0.13	11.00	9.00	16.00	20.00

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors have pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 December 2016.

Principal activities
The principal activities of the Company are to carry on in Nigeria the business of real estates and real estate solutions including acquisition, development, management, sale and rental of landed property.

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.

Result for the year

	12 Months ended 31 December 2016 ₦'000	15 Months ended 31 December 2015 ₦'000
Revenue	1,368,017	24,563
Profit/ (Loss) before taxation	976,616	(187,102)
Taxation	(168,000)	-
Profit/ (Loss) after taxation	808,616	(187,102)

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.

Dividend
The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2016 (2015: Nil).

Acquisition of own shares
The company has not purchased any of its own shares during the year under review. (2015: Nil)

Shareholdings
The issued and fully paid share capital of the Company as at 31 December 2016 were beneficially owned as follows:

	2016 Number	%	2015 Number	%
Chestermead Associates Ltd	5,000,000	50	5,000,000	50
Alpha Infinity Ventures Limited	5,000,000	50	5,000,000	50
	10,000,000	100	10,000,000	100

Directors' interest in shares

None of the Directors has any beneficial interest in the issued share capital of the Company for the purpose of Section 275 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 (2015: Nil).

Directors' interest in contracts

For the purpose of section 277 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, none of the Directors has notified the Company of their disclosable interest in contracts which the Company entered into as at 31 December 2016. (2015: Nil).

Charitable donations

The company did not make any charitable donation during the year ended 31 December 2016 (2015: Nil).

Employment of disabled employees

It is the Company's policy that there is no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their expertise and knowledge and to qualify for promotion in furtherance of their careers. No disabled person was in the employment of the Company as at 31 December 2016 (2015: Nil).

Health, safety at work and welfare of employees

The company demonstrates its concern for the health and safety of its employees through the Company's safety awareness programmes.

Employees working in operations area are provided with personal protective clothing to ensure their safety while at work, and must follow rigorous safety regulations as well as undergo frequent training.

To this end, the Company has various forms of insurance policies, including workmen's compensation and group life insurance, to adequately secure and protect its employees.

Employees' Interest and Training

The company places considerable value on the involvement of its employees in major policy matters and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

The company maintains a well- equipped ultra-modern training center at its corporate headquarters and also seconds key staff to specialized training programs overseas with the parent company's technical partners training facility located in New Jersey USA.

Event after the reporting date
As stated in Note 29, there are no 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 Alpha mead Development Company Limited have been prepared in accordance with the reporting and presentation requirement of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), requirement of Financial Reporting Council Act No 6, 2011 and provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

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

COMPANY SECRETARY

26th September 2017

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

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 (IFRS) issued by International Accounting Standards Board, requirement of 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 2016. 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.

Mr. Femi Akintunde	Mr. Obi Nwasike
Director	Director

26th September 2017

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALPHA MEAD DEVELOPMENT COMPANY LIMITED

Opinion

We have audited the financial statements of Alpha Mead Development Company Limited which comprise the statement of financial position as at 31 December 2016, the 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alpha Mead Development Company Limited as at 31 December 2016, and its financial performance and 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Federation of Accountants' *Code of Ethics for Professional Accountants* (IFAC Code) and other independence requirements applicable to performing audits of Alpha Mead Development Company Limited. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of Alpha Mead Development Company Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and Statement of Directors' Responsibilities as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The other information does not include the financial statements and our auditor's report thereon

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of these other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

We have audited the accompanying financial statements of Alpha Mead Development Company Limited, which comprise the statement of financial position as at 31 December 2016, the 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.

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

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

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

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

Omolola Alebiosu, FCA
FRC/2012/ICAN/00000000145
Assurance Partner
For: Ernst & Young
Chartered Accountants
Lagos, Nigeria
27 September 2017

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	12 Months ended 31 December 2016 ₦'000	15 Months ended 31 December 2015 ₦'000
Revenue	5	1,368,018	24,563
Operating costs	6	(533,960)	(513,718)
Gross profit/ (loss)		834,058	(489,155)
Fair value gains on investment properties	14	503,400	503,000
Other operating income	7	314	56,423
Operating expenses	8	(290,835)	(252,267)
Operating profit/ (loss)		1,046,937	(181,999)
Finance cost	9	(70,321)	(5,104)
Profit/ (Loss) before taxation		976,616	(187,102)
Income tax expense	10	(168,000)	-
Profit/ (Loss) for the year		808,616	(187,102)
Other comprehensive income			
Other comprehensive income for the year, net of tax	-	-	
Total Comprehensive profit/ (loss) for the year, net of tax		808,616	(187,102)
Earnings per share			
Basic earnings/ (loss) for the year attributable to ordinary equity holders of the Company (N)	11	80.86	(18.71)

ALPHA MEAD DEVELOPMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 N'000	2015 N'000
Assets			
Non-current assets			
Property, plant and equipment	12	167,393	215,961
Intangible assets	13	211	331
Investment properties	14	1,896,400	1,393,000
		2,064,004	1,609,292
Current assets			
Inventories	15	1,395,557	1,483,557
Trade and other receivables	16	1,541,654	4,897
Prepayment	17	2,601	3,916
Cash and short-term deposits	18	40,772	20,292
		2,980,584	1,512,662
Total assets		5,044,588	3,121,954
Equity and liabilities			
Equity			
Issued capital	19.1	10,000	10,000
Other reserves	19.2	626,235	626,235
Retained earnings	19.3	564,975	(243,641)
Total equity		1,201,210	392,594
Non-current liabilities			
Deferred revenue	20	1,351,310	492,620
Interest bearing loans and borrowings	22	150,000	300,000
Deferred tax liabilities	10	153,816	-
		1,655,126	792,620
Current liabilities			
Trade and other payables	21	1,606,307	1,489,587
Interest bearing loans and borrowings	22	567,761	447,153
Income tax payable	10	14,184	-
		2,188,252	1,936,740
Total liabilities		3,843,378	2,729,360
Total equity and liabilities		5,044,588	3,121.954

Mr. Femi Akintunde
Director

Mr. Obi Nwasike
Director

See notes to the financial statements

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Issued Capital	Other reserves	Retained earnings	Total equity
	₦'000	₦'000	₦'000	₦'000
As at 1 January 2015	10,000	626,235	(243,641)	392,594
Profit for the year	-	-	808,616	808,616
Other comprehensive income; net of tax	-	-	-	-
Total comprehensive income; net of tax	-	-	808,616	808,616
At 31 December 2016	10,000	626,235	564,975	1,201,210
As at 1 October 2014	10,000	-	(56,539)	(46,539)
Deposit for shares		626,235	-	-
Loss for the period	-	-	(187,102)	(187,102)
Other comprehensive income; net of tax	-	-	-	-
Total comprehensive income; net of tax	-	-	(187,102)	(187,102)
At 31 December 2015	10,000	626,235	(243,641)	392,594

See notes to the financial statements

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	12 Months ended 31 December 2016 N'000	15 Months ended 31 December 2015 N'000
Operating activities			
Receipts from customers		691,578	798,005
Payments to suppliers and employees		(563,728)	(499,000)
Net cash provided by operating activities	23	127,850	299,005
Investing activities			
Purchase of property, plant and equipment	12	(7,658)	(260,910)
Purchase of intangible assets	13	-	(482)
Purchase of investment properties	14	-	(890,000)
Proceeds from disposal of property, plant and equipment	-	444,300	
Net cash used in investing activities		(7,658)	(707,092)
Financing activities			
Loans repaid/ received		(29,391)	367,795
Proceeds from deposit for shares		-	38,237
Interest paid	9	(70,321)	(5,104)
Net cash (used)/ provided by financing activities		(99,712)	400,928
Net increase/ (decrease) in cash and cash equivalents20,480		(7,159)	
Cash and cash equivalents at 1 January	18	20,292	27,451
Cash and cash equivalents at 31 December	18	40,772	20,292

1 **Corporate information**

The company (Alpha Mead Development Company Limited) was incorporated as a Limited liability Company in accordance with the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The principal activities of the Company are to carry on in Nigeria the business of real estates and real estate solutions including acquisition, development, management, sale and rental of landed property.

The registered office is located at 8B, Oladipupo Diya Crescent, 2nd Avenue, Ikoyi, Lagos.

The financial statements of Alpha Mead Development Company Limited for 15 Months ended 31 December 2016 were authorized for issue in accordance with a resolution of the directors on .... 2017.

1.1 **Functional and presentation currency**

The company financial statements are presented in Naira (₦), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousands (₦'000) unless stated otherwise.

1.2 **Basis of preparation**

These financial statements have been prepared under the historical cost convention.

1.3 **Use of estimates and judgments**

The preparation of financial statements in accordance with IFRS requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. Management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates are included in note 3.

Furthermore, where the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair view of the Company's financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis; and
- are complete in all material aspects.

2 **Summary of significant accounting policies**

The following are the significant accounting policies applied by the Company in preparing its financial statements:

2.01 **Revenue recognition**

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

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes.

The specific recognition criteria described below must also be met before revenue is recognised.

Rental Income

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.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when the right to receive them arises.

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

Sale of completed property

A property is regarded as sold when the risk and returns has been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, revenue are recognised only when all significant conditions are satisfied.

Sales of property under development

Where property has been under development and agreement has been reached to sell such property when construction is complete, the directors considers whether the contract comprises:

- A contract to construct a property
  Or
- A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage-of-completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses.

2.01 **Revenue recognition - Continued**

Sales of property under development

Continuous transfer of work in progress is applied when;

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer

- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Company.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

2.02 **Taxes**

The company's taxes cover current income tax and deferred tax.

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity through other comprehensive income and not in the statement of profit or loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.02 **Taxes**

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.

Value added tax

Revenue, expenses and assets are recognized net of the amount of value added tax, except:

When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of value added tax included:

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.03 **Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company de-recognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of plant and equipment as a replacement if the general recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis, over the estimated useful lives of the asset as follows:

	Useful lives
Plant and machinery	5 years
Furniture and fittings	5 years
Office equipment	4 years
Motor vehicles	4 years
Project tools	4 years

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.04 **Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

2.04 **Investment properties** - continued

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.
The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.
Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.
If owner-occupied property becomes an investment property, the company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.05 **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
capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.06 **Inventories**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and NRV.

Cost includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based
on the relative size of the property sold.

2.07 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at date of inception. The arrangement is assessed to determine whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as a lessee

Finance leases, which transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Company, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve

2.07 **Leases - Continued**

a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in profit or loss.

Capitalized leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the profit or loss on a straight-line basis over the lease term. For both finance and operating leases, contingent rents are recognized in the profit or loss in the period in which they are incurred.

2.08 **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.

(I) **Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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

The Company's financial assets include cash and bank balances and trade and other receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized 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 amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

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

- 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.

2.08 **Financial instruments – initial recognition and subsequent measurement - continued**

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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

Impairment of financial assets
The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred '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 reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, the Company first assesses whether 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 group 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.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

(ii) **Financial liabilities**

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables.

(ii) **Financial liabilities - continued**

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

This is the category most relevant to the Company. After initial recognition, trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit or loss.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

(III) **Offsetting of financial instruments**

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

2.09 **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 cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized

2.09 **Impairment of Non-financial assets - continued**

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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

2.10 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

2.11 Pension and other post- employment benefits

Defined Contribution Plans

In line with the provisions of the Pension Reform Act 2004, the Company instituted a contributory pension scheme for all its employees. The company and its employees each contribute 7.5% of employees' annual insurable earnings (basic pay, transport and housing) to the scheme. Staff contributions to the scheme are funded through payroll deductions while the Company's contribution is charged each year to the profit or loss as part of employee benefits expense.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with Bank, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and Company balances as defined above, net of outstanding Company overdrafts (if any).

2.13 Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

2.14 Deferred revenue

Deferred revenue are deposits from customers whose application to purchase properties have been approved by management. Deferred revenue are initially recognised as liabilities and subsequently recognised as revenue in future periods subject to the transfer of risks and rewards of ownership of properties to the customer.

2.15 Related Parties

Related parties include the holding company and other Company's entities. Directors, their close family members, key management personnel and other employees who are able to exert a significant influence on the operating policies of the company are also considered to be related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (executive or otherwise) of the company.

2.15 Related Parties - continued

Related party transactions of similar nature are disclosed in aggregate except where separate disclosure is necessary for understanding of the effects of the related party transactions on the financial statements of the company.

2.16 Fair value measurement

The Company measure financial instruments, such as, loans and receivables and loans and borrowings initially at fair value and also disclose the fair value at each statement of financial position date.

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 to 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 **Current versus non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has not applied any exemptions as at 31 December 2016.

3 **Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgement

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

Fair value hierarchy

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Estimates and assumptions

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 beyond the control of the company. Such changes are reflected in the assumptions when they occur.

3 Significant accounting judgments, estimates and assumptions - Continued

Property, plant and equipment and intangible assets

The Company carries its item of property, plant and equipment at cost in the Statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Allowance for uncollectible accounts receivable

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience based on the facts and circumstances prevailing as at balance sheet date. In addition, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. The Company writes off individual trade receivables when management considers them as uncollectible.

Recovery of deferred tax assets

Judgment is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgment is also required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods, in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend

on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations and judgment about the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Also, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Revaluation of investment properties

The company carries its investment properties at fair value, with changes in fair value being recognised in profit and loss. The company engaged an independent valuation specialist to assess fair value as at 31 December 2016. Further details are stated in note 14.

4. **Standards issued but not yet effective**

Standards and interpretations issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company is currently assessing the impact that these standards will have on the financial position and performance.

The Company intends to adopt these standards, if applicable, when they become effective

4. Standards issued but not yet effective - continued

IFRS 9 Financial Instruments: Classification and Measurement

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The impact of this standard have not been assessed by the Group but it is expected that this standard will affect the impairment of trade receivables. This will change the model from incurred loss model to expected loss model and it would possibly lad to more impairment being recognized at the end of the year.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IFRS 16 Leases. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets, such as property or equipment. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. Standard is effective for annual period beginning on 1 January 2018.The Company has not assessed the impact of this standard.

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

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 the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Company has not assessed the impact of this standard.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. These amendments are not expected to have any impact on the Company.

4. Standards issued but not yet effective - continued

IAS 12 Recognition of Deferred Tax Assets for Un- realized Losses – Amendments to IAS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Company.

IFRS 2 Classification and Measurement of Share-based Payment Transactions

Amendments to IFRS 2 The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. This amendment will not have any effect on the Company

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-statement of financial position model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term

(i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2017, the Company plans to assess the potential effect of IFRS 16 on its financial statements.

4. **Standards issued but not yet effective - continued**

New standards and amendments effective

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 risk associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Company is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation.

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a 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 applied prospectively and do not have any impact on the Company, given that it has not used a revenue-based method to depreciate its non-current assets.

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 Agriculture. 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. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are applied retrospectively and do not have any impact on the Company as it does not have any bearer plants.

Amendments to existing standards but not yet effective

Amendments to IAS 27: Equity Method in Separate Financial Statements
The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively. These amendments do not have any impact on the Company's consolidated financial statements.

4. **Standards issued but not yet effective - continued**

Annual improvements 2012 – 2014 Cycle

These improvements 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 the 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 is applied prospectively.

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 need not 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 is applied retrospectively.

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 is applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively. These amendments do not have any impact on the Company

4. **Standards issued but not yet effective - continued**

Amendments to existing standards but not yet effective - Continued

Annual improvements 2012 – 2014 Cycle - Continued

Amendments to IAS 1 Disclosure Initiative

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

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments do not have any impact on the Company.

	12 months ended 31 December 2016 ₦'000	15 months ended 31 December 2015 ₦'000
5. Revenue		
Rental income on investment property	13,946	13,144
Sale of lands	1,338,724	-
Advisory fees	15,348	11,419
	1,368,018	24,563
6. Operating costs		
Project direct cost	533,960	513,718
7. Other operating income		
Gain on disposal	-	44,300
Exchange gain	314	760
Income from legal and agency fees	-	2,565
Gain on sub-contracts	-	8,798
	314	56,423

		12 months ended 31 December 2016 ₦'000	15 months ended 31 December 2015 ₦'000
8.	**Operating expenses**		
	Advertising and promotion	1,687	2,770
	Amortisation of intangible assets	121	151
	Audit fees	4,000	2,000
	Bank charges	16,325	25,397
	Business development	4,188	3,016
	Commission	9,188	11,720
	Communication	13	160
	Depreciation on Property, plant and equipment	56,225	55,405
	Electricity	708	1,580
	Entertainment	1,183	905
	Fuel expenses	4,637	9,037
	Gift and donations	879	173
	Health, safety and Equipment	811	186
	Insurance	367	862
	Internet	1,530	1,983
	Legal fees	8,641	8,032
	Medical expenses	-	250
	Office expenses	21,367	2,925
	Printing and stationery	948	4,423
	Professional and consultancy fees	49,568	17,422
	Rent	7,551	8,958
	Repair and maintenance	4,255	4,305
	Salaries and wages	86,078	79,520
	Staff welfare	3,713	3,305
	Taxes and levies	992	627
	Training and development	1,422	36
	Travelling and accommodation	4,250	6,872
	Utilities	188	247
		290,835	252,267
9.	Finance cost		
	Interest on loans and borrowings	70,321	5,104
		70,321	5,104

10. *Taxation*

10.1 Income tax

The major components of income tax expense for the years ended 31 December 2016 and 31 December 2015 are:

	15 months ended 31 December 2016 ₦'000	15 months ended 31 December 2015 ₦'000
Current income tax:		
Current income tax charge	8,886	-
Education tax	5,298	-
Deferred tax:		
Relating to origination and reversal of temporary differences	153,816	-
Income tax expense reported in the statement of profit or loss	168,000	-

10.2 A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the years ended 31 December 2016 and 31 December 2015 is as follows:

	31 December 2016 ₦'000	15 months ended 31 December 2015 ₦'000
Accounting profit/ (loss) before income tax	976,616	(187,102)
At Nigeria's statutory income tax rate of 30%	292,985	-
Adjustments in respect to current income Tax;		-
Non – deductible expenses	54,934	-
Impact of minimum tax rule	8,886	
Accelerated depreciation for tax purposes	79,314	-
Utilisation of previously unrecognised tax losses	(273,341)	-
Education tax	5,298	-
	168,000	-
Effective tax	17%	-

10. *Taxation*

10.3 Deferred tax

Deferred tax relates to the following:

	Statement of financial position		*Statement of profit or loss*	
	2016 ₦'000	2015 ₦'000	15 months ended 31 December 2016 ₦'000	12 months ended 30 September 2015 ₦'000
Property plant and equipment	61,383	-	61,383	-
Losses available for offsetting against future taxable income	92,433	-	92,433	-
Deferred tax expense			153,816	-
Net liabilities	153,816	-		

10.4 *Reflected in the statement of financial position as follows:*

	2016 ₦'000	2015 ₦'000
Deferred tax assets	-	-
Deferred tax liabilities	153,816	-
Deferred tax liabilities net	153,816	-
Reconciliation of deferred tax liabilities net		
Opening balance as of 1 January	-	-
Tax expense during the period recognised in profit or loss	153,816	-
Tax income/(expense) during the period recognised in OCI	-	-
Closing balance as at year end	153,816	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

11. *Basic earnings/ (loss) per share*

Basic earnings/ (loss) per share amount is calculated by dividing the net profit/(loss) after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date. The following reflects the income and share data used in the basic earnings/ loss per share computations:

	12 months ended 31 December 2016 ₦'000	15 months ended 31 December 2015 ₦'000
Profit/ (loss) for the year attributable to ordinary shareholders	808,616	(187,102)
Effect of dilution:	-	-
	808,616	(187,102)
Weighted average number of ordinary shares in issue	10,000	10,000
Earnings per share		
Basic earnings/ (loss) per share (₦)	80.86	(18.71)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

12. Property, plant and equipment

	Freehold land	Plant and machinery	Furniture and fittings	Office equipment	Motor vehicles	Project tools	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost							
At 1 October 2014	400,000	2,510	4,583	865	4,382	-	412,340
Additions	-	725	866	688	-	258,631	260,910
Disposal	(400,000)	-	-	-	-	-	(400,000)
At 31 December 2015	-	3,235	5,449	1,553	4,382	258,631	273,250
Addition	-	-	579	2,144	4,935	-	7,658
Disposal	-	-	-	-	-	-	-
At 31 December 2016	-	3,235	6,028	3,697	9,317	258,631	280,908
Depreciation:							
At 1 October 2014	-	582	793	81	428	-	1,885
Depreciation charge for the period	-	725	1,250	384	1,369	51,677	55,405
At 31 December 2015	-	1,307	2,043	465	1,797	51,677	57,290
Depreciation charge for the year	-	647	1,120	608	2,124	51,726	56,225
At 31 December 2016	-	1,954	3,163	1,073	3,921	103,403	113,515
Net book value:							
At 31 December 2016	-	1,281	2,865	2,624	5,396	155,228	167,393
At 30 September 2015	-	1,928	3,406	1,088	2,585	206,954	215,961

Property secured against borrowings

Property, plant and equipment are not secured against any borrowings. There were no impairments on property, plant and equipment during the year ended 31 December 2016 (2015: Nil)

13. Intangible assets

	Computer software
	₦'000
Cost	
At 1 January 2016	482
Additions	-
At 31 December 2016	482
Amortisation	
At 1 January 2016	151
Amortisation	121
At 31 December 2016	272
Net book value:	
At 31 December 2016	210
At 30 September 2015	331

14. Investment properties

Fair value	Freehold building	Freehold land	Total investment properties
	₦'000	₦'000	₦'000
At 1 January 2015	-	-	-
Addition	641,000	249,000	890,000
Net gain from fair value adjustments on investment properties	259,000	244,000	503,000
At 31 December 2015	900,000	493,000	1,393,000
At 1 January 2016	900,000	493,000	1,393,000
Addition	-	-	-
Net gain from fair value adjustments on investment properties	166,400	337,000	503,400
At 31 December 2016	1,066,400	830,000	1,896,400

The company's investment properties were valued at 31 December 2016 by a team of independent professionally qualified valuers (Femi Arayela & co) who hold recognised relevant professional qualifications and have relevant experience in the locations and categories of investment properties valued.

Basis of valuation

The determination of fair market values for the investment properties was based on market comparison approach.

14. Investment properties - continued

The fair market values are the estimated amounts for which assets should exchange at the valuation date between a willing buyer and willing seller at arm's length transaction after proper marketing wherein parties had each acted knowledgeably, prudently and without compulsion.

The choice of valuation method was guided by these factors:

a. Purpose of valuation
b. Types and current state of the properties
c. Availability of information on recent sale or lease transactions.

15. Inventories

	2016 ₦'000	2015 ₦'000
Property under construction	1,395,557	1,483,557
	1,395,557	1,483,557

15.1 Property under construction represents construction costs including cost of land and other expenditure attributable to construction of such property until disposal. Land title documents of this property are secured against borrowings.

16. Trade and other receivables

	2016 ₦'000	2015 ₦'000
Trade receivables	965,980	-
Intercompany receivables	5,250	-
Advances to suppliers	544,276	-
Deposits for investments	3,200	4,896
Staff receivables	22,948	-
	1,541,654	4,896

Deposit for investments represents amount deposited by the company in respect of a joint venture agreement with Ibile Holdings Limited to jointly develop sites and provide affordable housing units in Lagos state. A joint venture company named GDPE Development Company Limited was incorporated on 27 January 2017 for the purpose of this project.

For terms and conditions relating to related party receivables, refer to Note 24.
Trade receivables are non-interest bearing and are generally on 30-90 day terms.
Receivables from related parties are non-interest bearing and are generally on terms of 30-90 days term.

16. **Trade and other receivables – continued**

Impairment of other receivables
Impairment is on trade receivables is as follows:

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			60-90 days	90-120days	120-150 day	150-180 days
		N'000	N'000	N'000	N'000	N'000
2016	965,980	266,979	203,418	495,583	-	-
2015	-	-	-	-	-	-

	2016 ₦'000	2015 ₦'000
17. Prepayment		
Rent	2,250	3,916
Insurance	351	-
	2,601	3,916
18. Cash and short-term deposits		
Cash in hand	551	-
Cash at bank	40,221	20,292
	40,772	20,292
19.1 Issued capital and reserves		
Authorised shares		
10,000,000 ordinary shares of N1 each	10,000	10,000
Ordinary shares issued and fully paid	10,000	10,000
19.2 Other reserves		
Deposit for shares	626,235	626,235

Deposit for shares represents amount deposited by shareholders in respect of ordinary shares which are yet to be allotted as at 31 December 2016.

19.3 Retained earnings

		2016 ₦'000	2015 ₦'000
At 1 January		(243,641)	(46,539)
Profit/ (loss) for year	808,616	(187,102)	
At 31 December	564,975		(233,641)

20. Deferred revenue

	2016	2015
Deposits from customers	1,351,310	492,620
	1,351,310	492,620

Deferred revenue are rentals and deposits received in advance from tenants and subscribers to properties under construction respectively. These are recognised in profit or loss when earned.

21. Trade and other payables

	2016 ₦'000	2015 ₦'000
Trade payables	1,244,537	1,101,408
Other payables	39,919	22,274
Due to related parties (Note 24)	302,843	365,905
Accrued expenses	19,008	-
	1,606,307	1,489,587

Terms and conditions of the above financial liabilities:

Trade payables are non- interest bearing and have an average term of six months.
Other payables are non-interest bearing and have an average term of six months.

For explanations on the Company's credit risk management processes, refer to Note 26.

22. Interest bearing loans and borrowings

	2016 ₦'000	2015 ₦'000
Stanbic IBTC Bank	4,751	1,539
Trustbond Mortgage Bank Plc	253,000	296,798
First City Monument Bank Plc	455,395	448,816
Fidelity Bank	4,615	-
	717,761	747,153

22. Interest bearing loans and borrowings - continued

	2016 ₦'000	2015 ₦'000
Current portion	567,761	447,153
Non – current portion	150,000	300,000
Total	717,761	747,153

Terms and conditions of the loan

Stanbic IBTC Bank

The ₦5 Million Stanbic loan relates to the loan obtained to finance the procurement of vehicles for the daily operation of the Company. The loan tenor is 12 months with 24% interest rate

Trustbond Mortgage Bank plc

This relates to ₦300 Million loan from Trustbond Mortgage bank to support the construction of 112 housing units at Pearl Estate, Sangotedo, Lekki – Ajah, Lagos. The mortgage has an 18 months tenor with a 22% interest rate per annum. The interest on the loan is payable monthly while the principal repayments becomes due biannually. The loan is secured on the following;

a. Legal mortgage on undeveloped parcel of land measuring about 10hectares located along Lekki Epe Expressway, Alakun Town, Ibeju Lekki Lagos.
b. Secondary rights on Pearl Estate located at Sangotedo Ajah
c. Corporate guarantee of Alpha Mead Facilities and Management Services Limited

First City Monument Bank loan

This relates to ₦550 Million loan from First City Monument Bank Limited to part finance the construction of 54 housing units projects at Lekki, Lagos. The mortgage has 36 months tenor with a 20% interest rate per annum and 12 months moratorium on principal only. The principal and interest on the loan is repayable quarterly. The loan is secured on the following

a. Tripartite legal mortgage over the property on No. 19A, Milverton Road, Ikoyi measuring 2,650 square metres.
b. Advance payment guarantee. Performance bond in respect of the construction/ development works for housing units.
c. Corporate guarantee of Alpha Mead Facilities and Management Services Limited
d. A first charge on the entire share capital of the company.

Fidelity Bank loan

This relates to ₦8,890,000 facility from Fidelity Bank Plc to finance the purchase of motor vehicles. The fa has 24 months tenor with a 24% interest rate per annum. The principal and interest on the loan is repayable from the company's cash flow and other sources available to the company

The loan is secured on the following;

a. Personal guarantee of the Managing Director of the company supported by his notarized statement of worth.
b. Updated other bank's cheque covering 130% of the facility amount.

23. Reconciliation of net profit/ (loss) to net cash flows from operating activities.

	12 months ended	15 months ended 31 December 2016 ₦'000	30 September 2015 ₦'000
Profit/ (loss) after tax		808,616	(187,102)
Adjustments to reconcile profit/ (loss) before tax to Net cash flows:			
Depreciation of property and equipment		56,225	55,405
Interest paid		70,321	5,104
Gain on disposal of property, plant and equipment		-	(44,300)
Amortisation of intangible assets		121	151
Fair value gain on investment properties		(503,400)	(503,000)
Working capital adjustments			
(Decrease)/ Increase in inventory	88,000	(1,140,406)	
(Increase)/ decrease in trade and other receivables		(1,536,758)	395,553
Decrease in prepayment	1,315		3,958
Increase in deferred income	858,689	361,808	
Increase in trade and other payables	116,721		1,351,830
Increase in income tax payable	14,184		-
Increase in deferred taxation	153,816		-
Net cash provided by operating activities	127,850		299,005

24. **Related party transactions**

24.1 Related parties include the holding Company and other group entities. The directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Alpha Mead Facilities and Management Services Limited
Alpha mead Facilities and Management Services is an affiliate company of Alpha mead Development Company. Both entities share similar directors and management as well as some shareholders.

Alpha Mead Security Systems and Technology Limited
Alpha mead Security Systems and Technology Limited is an affiliate company of Alpha mead Development Company. Both entities share similar directors and management as well as some shareholders.

24.2. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Sales to related parties ₦'000	Purchases from related parties ₦'000	Costs incurred on behalf of related party ₦'000	Amounts owed by related parties ₦'000	Amounts owed to related parties ₦'000
Entity with significant influence over the Company					
Alpha Mead Facilities and management services					
31-Dec-16	-	-	-	-	302,843
31-Dec-15	-	-	-	-	365,905
Alpha Mead Security Systems and Technology Limited					
31-Dec-16	-	-	-	5,250	-
31-Dec-15	-	-	-	-	-

24.3 Staff numbers and costs

The average number of persons, excluding directors, employed by the company during the year was as follows:

	12 months ended 31 December 2016 Number	15 months ended 31 December 2015 Number
Finance and administration	16	14
Operations	10	6
	-------	------
	26	20
	====	====

24.3 Staff numbers and costs - continued

24.4. The table below shows the numbers of employees, other than directors whose emoluments, excluding allowances were within the following ranges was;

Employee Salary in Nigerian Naira

	12 months ended 31 December 2016 Number	15 months ended 31 December 2015 Number
N 200,001 - N300,000	1	2
N300,001 - N400,000	-	-
N400,001 - N500,000	1	1
N500,001 - N600,000	-	1
N600,001 - N700,000	-	2
N700,001 - N800,000	3	1
N1,000,001 - N2,000,000	11	5
N2,000,001 - N3,000,000	2	2
N3,000,001 and above	8	6
	26	20

24.5. Directors' remuneration

The directors did not receive any fees or emoluments from the Company for their services during the year (2015: Nil).

25. Contingent liabilities and other Financial Commitments

25.1 Contingent Liabilities

There are no significant contingencies that may have material effect on the financial statements of the Company as at 31 December 2016. (2015: Nil).

25.2 Financial commitments

There are no financial commitments that may have material effect on the financial statements of the Company as at 31 December 2016. (2015: Nil).

26. Financial Risk Management objectives and policies

The company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business while managing its credit, liquidity, interest rate, foreign currency and market price risk. The company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the company's performance. The company's uses relevant financial instruments to hedge the risks of such commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by its risk management system.

The company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables and cash and bank balances that derive directly from its operations. The company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

26. Financial Risk Management objectives and policies - continued

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and price risk. The Company is exposed to interest rate risk and currency risk. It is not exposed to price risk. Financial instruments affected by currency risk include cash and bank balances, and trade and other payables including loans and borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses is denominated in a different currency from the Company's presentation currency). The company seeks to manage its foreign currency exposure by constructing natural hedges when it matches sales and purchases in any single currency or through financial instruments, such as foreign currency forward exchange contracts.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's loss before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes in USD rate	Effect on loss before tax
		N'000
Dec -16	5%	(391)
	-5%	391
Dec-15	5%	(477)
	-5%	477

Credit risk

Credit risk is the risk that a counter party 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 operating activities

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury unit in accordance with the Company's policy.

The maximum exposure to credit risk for the components of the statement of financial position at 31 December 2016 and 31 December 2015 is the carrying amounts as illustrated in Note 18.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities due to shortage of funds.

The company maintains sufficient liquidity by closely monitoring its cash flows. Due to the dynamic nature of its underlying business, the company adopts prudent risk management policies in maintaining sufficient credit facilities, including the use of trade finance for the company's purchase of construction materials. The company aims at maintaining flexibility in funding by keeping credit facilities available with different banks.

26. Financial Risk Management objectives and policies - Continued

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

	Carrying amount	Contractual cashflow	0-6 Months	6 - 12 Months	More than one year
	N000	N000	N000	N000	N000
31 December 2016					
Trade and other payables	1,606,307	1,606,307	803,154	481,892	321,261
Interest-bearing loans and borrowings	717,761	717,761	283,880	283,881	150,000
	2,324,068	2,324,068	1,087,034	765,773	471,261
31 December 2015					
Trade and other payables	1,489,587	1,489,587	199,000	1,290,587	-
Interest-bearing loans and borrowings	747,153	747,153	476,822	270,331	-
	2,236,740	2,236,740	675,822	1,560,918	-

27. Fair value

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

	Carrying value		Fair value	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Financial assets				
Trade and other receivables	1,541,654	4,897	1,541,654	4,897
Cash and short term deposits	40,772	20,292	40,772	20,292
	1,582,426	25,189	1,582,426	25,189
Financial liabilities				
Interest bearing loans and borrowings	712,367	747,153	717,761	747,153
Trade and other payables	1,606,307	1,489,587	1,606,307	1,489,587
	2,318,674	2,236,740	2,324,068	2,236,740

26. Financial Risk Management objectives and policies Continued

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, 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 loans and borrowings 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. Loans and borrowings, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates.
Trade receivables are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables

28. **Capital management**

For the purpose of the Company's capital management, capital includes issued capital, and other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximize the shareholder value.In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables, loans and borrowings, less cash and bank balances.

	2016	2015
	₦'000	₦'000
Trade and other payables (Note 20)	1,606,307	1,489,587
Loans and borrowings	717,761	747,153
cash and short term deposits(Note 18)	(40,772)	(20,292)
Net debt	2,283,296	2,216,448
Equity	1,201,210	392,594
Capital and net debt	3,484,506	2,609,042
Gearing ratio (%)	66%	85%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

29. **Events after the reporting period**

There are no events or transactions that have occurred since the statements of financial position date which would have a material effect upon the financial statements in order not to make them misleading as to the financial position or results of operations.

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

VALUE ADDED STATEMENT

FOR 15 MONTHS ENDED 31 DECEMBER 2016

	12 months ended 31 December 2016 N'000		15 months ended 31 December 2015 ₦'000	
Revenue	1,368,018		24,563	
Bought in materials and services	(175,258)		(124,603)	
	1,192,760		(100,040)	
Other operating income	314		56,423	
Value added/ (consumed)	1,193,074		(43,617)	
Applied as follows:				
		%		%
To employees:				
- As salaries and labour related expenses	89,791	8	82,825	(189)
To providers of capital:				
- As interest	70,321	6	5,104	(12)
To government:				
- As company taxes	14,184	1	-	12
Retained for the company's future:				
- For assets replacement (Depreciation)	56,225	5	55,405	(127)
- Amortisation of Intangible assets	121	-	151	-
- Deferred taxation	153,816	13	-	-
- Profit/ (loss) for the year	808,616	67	(187,102)	428
	1,193,074	100	(43,617)	(100)

The value added/ (consumed) represents the wealth created/ (utilized) through the Company's assets by its own and its employees'. This statement shows the allocation of wealth amongst employees, capital providers and that retained for future creation of wealth.

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

FOUR-YEAR FINANCIAL SUMMARY

	31 December 2016 N'000	31 December 2015 N'000	30 September 2014 N'000	30 September 2013 N'000
Statement of financial position				
Assets and liabilities:				
Property, plant and equipment	167,393	215,961	410,456	5,087
Intangible assets	211	331	-	-
Investment properties	1,896,400	1,393,000	-	-
Net current asset/ (liability)	792,333	(424,077)	(326,183)	(6,758)
Non current liabilities:				
Deferred revenue	(1,351,310)	(492,621)	(130,812)	(5,000)
Interest bearing loans and borrowings	(150,000)	(300,000)	-	-
Deferred taxation	(153,816)	-	-	-
	1,201,210	392,594	(46,539)	(6,671)
Shareholders' fund				
Share capital	10,000	10,000	10,000	10,000
Other reserves	626,235	626,235	-	-
Retained earnings	564,975	(243,641)	(56,539)	(16,671)
	1,201,210	392,594	(46,539)	(6,671)

	12 months ended 31 December 2016 N'000	15 months ended 31 December 2015 N'000	12 months ended 30 September 2014 N'000	15 months ended 30 September 2013 N'000
Revenue	1,368,018	24,563	-	-
Profit/ (loss) before taxation	976,616 (187,102)	(39,868)	(16,671)	
Taxation	(168,000)	-	-	-
Profit/ (loss) after taxation	808,616	(187,102)	(39,868)	(16,671)
Basic/ diluted profit/ (loss) per share (Naira)	80.86	(18.71)	(3.99)	(1.67)

ALPHA MEAD FACILITIES AND MANAGEMENT SERVICES LIMITED

Alpha Mead Facilities and Management Services Limited ("AMFM") was incorporated in January 2006. AMFM's primary focus is to provide facility management, project management services to real corporate organisations and private investors with major real estate assets. AMFM prides itself in the delivery of high quality professional services while ensuring minimum total life cycle cost of the asset it manages to the owners.

In collaboration with its foreign technical partners; Cluttons UK, AMFM is able to access global best practices, systems and standards to deliver best value to its customers whilst leveraging on its knowledge and expertise of the local environment in which it operates. AMFM is also in active collaboration with the International Facility Management Association (IFMA) Nigerian chapter.

AMFM's business is built on the strong platform of the 3Ps- People, Process and Place which defines the company's mission. As core to its business strategy, AMFM engages the right people; internally and externally and invests strongly in its people and people relationships, whether employees, customers, suppliers or the wider community.

In efforts to consistently keep the company ahead of its market, AMFM has developed processes and standards which help to ensure that all its activities are sustainable and deliver good results to its customers. The ultimate result which AMFM delivers is the quality of the place where its customers live, work or play. AMFM thrives to ensure that its customers are provided with comfort, safety and security with all facilities management relationship it is involved in.

Products and Services

The services and operations of AMFM comprise the following business areas:

- Facility Management Organisation Review
- Facility Audit/Condition Survey
- Onsite Facility Management
- Facility Management Training
- Life Cycle Asset Development
- Project/Construction Management
- Procurement Management
- Generator Services

Project Portfolio

Alpha Mead Facilities and Management Services Company has established itself as both the main market leader and trusted partner to its clients in the Nigeria facility management industry. AMFM has also reached beyond the borders of Nigeria and is building a reputation in the African continent as a professional facility management services provider. AMFM provides facility management services to some of the most reputable corporate organisations, commercial properties, as well as to residential premises. Among these include:

Ericsson: Nigeria | Ghana | Cameroon | Kenya: Alpha Mead Facilities and Management Services Limited currently provides integrated facilities management for corporate head offices, and residential apartments of Ericsson in Lagos, Ghana, Cameroon, and Kenya. Some of the services provided by AMFM within the terms of this contract include: energy optimisation, cleaning, waste disposal and pest control, fire protection and detection services, office supplies management, concierge and conference services, operation and maintenance, AC, swimming pool, water treatment system, sewage treatment plant, generators, parking lot management, bore-hole, lifts, UPS, fumigation, etc.

Nokia Solutions: Multiple Locations: In collaboration with its foreign technical partner; Cluttons LLP, AMFM provided Facilities Management and Project Management services to various Nokia Siemens facilities located across 13 African countries including: Kenya, Tanzania, Uganda, South Africa, Morrocco, Libya, Algeria, Tunisia, Zambia, Madagascar, Mozambique, Namibia, and Nigeria. Provision of these services are still ongoing in 4 of the African countries.

Shell Nigeria Exploration and Producing Company (SNEPCO): Alpha Mead Facilities has provided various for SNEPCO on its various facilities in the Lagos locations covering both the offices and residential facilities. These services include: Civil and plumbing maintenance of her Corporate Head Office complex, management of Guest Houses and Warehouse, as well as various civil renovation and plumbing projects.

Shell Petroleum Development Company (SPDC) East and West: The project covers locations across Port-Harcourt and Warri. Under this contract, AMFM provides an integrated facilities management service which involves the supervisory and contract management aspects of works executed by the community contractors. The scope also covers the management of over 200 Client Services Representatives and 2,400 local contractors for the 88 Hectares Port-Harcourt Industrial and Main Office Area comprising 3,850 workstations in 81 buildings of office space, warehouses and workshops. In addition the contract also covers the management of the 87 Hectares Main Office Area of SPDC in Warri comprising about 1,000 workstations in Warri.

MTN Nigeria: AMFM provides integrated facilities management services to more than fifty (50) asset locations of MTN Nigeria in Lagos, and west and northern Nigeria. Services provided include both hard facilities management services – covering mechanical and plumbing services, electrical systems services, lifts and escalator maintenance, building fabric maintenance, fire and life safety systems maintenance, security systems maintenance; as well as soft facilities management services – covering landscape maintenance, cleaning, fumigation and pest control, waste management services, helpdesk reporting, coordination of all facilities management activities amongst others.

Nigeria Stock Exchange House: The property is occupied by the Nigeria Stock Exchange and other business organisations. AMFM provides integrated facilities management services to include maintenance of cooling systems, generator, lifts, cleaning, sub-contractor/vendor management, public power supply administration, water treatment plant, sewage treatment plant, etc.

Total E&P: AMFM provides integrated facilities management services on some of the key management houses for Total E&P.

Access Bank Data Centre: AMFM provides facilities management services to the Access Bank Data Centre located in Victoria Island, Lagos.

First City Monument Bank (FCMB): AMFM currently provides integrated facilities management services to the Head offices of FCMB in Victoria Island, Lagos, as well as to fifteen (15) other prime branches across Lagos state.

Delta Afrik Engineering: Alpha Mead is engaged by Delta Afrik to provide total facilities management services to three (3) of the company's facilities in Victoria Island.

Other facilities management projects currently being handled by AMFM include: NNPC Tower Abuja, First Exploration & Petroleum Company Limited, Mulliner Towers Ikoyi, NECOM House (old Nitel Building), Ado Bayero Mall Kano, 1004 Estate Victoria Island, Primrose Properties Investment Limited (multiple high-end residential estates in Ikoyi), Treasure Gardens. From these pool of facilities management contracts/projects, AMFM has been able to generate contractual revenues in excess of ₦3billion per annum in the last 3 years with the potential to significantly grow its revenue going in the coming years.

Profile of Directors

Obi Nwasike – Chairman

Obi Nwasike holds a Bachelor's degree in Mechanical Engineering from the University of Wales, Swansea and an MSc. in Environmental Engineering Science from the California Institute of Technology, Pasadena. His experience spans 28 years in International hydrocarbon and assets development, including 22 years in the services of Shell Nigeria. Obi left Shell in September 2000 to create Chester Mead Associates, an engineering design and project management services company operating out of Port Harcourt.

His expertise covers process engineering, design/field operations & project management of oil and gas recovery, treatment and transportation systems broadened into organizational (transformation) re-engineering and project implementation.

He has delivered variety of technologies and projects in remote and challenging environments, with over 40% capital expenditure savings, reduced environmental impact and delivered significant economic value. His work experience covers the Middle East, North Sea, London, California, Texas and West Africa.

Olufemi Kayode Akintunde – Managing Director

An Industrial Engineering graduate with a Masters' degree in Engineering Management and a graduate certificate in Management, Femi is an accomplished engineer and business management professional with strong entrepreneurial drive. He is an accomplished member of many professional organisations; Registered COREN engineer, Nigerian Society of Engineers (NSE), Nigerian Institute of Management (NIM), Institute of Personnel Management (IPM), Institute of Industrial Engineers (IIE), International Facility Management Association (IFMA).

He started his career in 1988 with Nestle Foods Nigeria Plc. as an Industrial Engineer (Factory) and rose to the position of Head, Corporate Technical Planning, a position he occupied between 1991 and 1993 before proceeding to Shell Petroleum Development Company (SPDC). During his 12-year stint in SPDC, he occupied senior and management positions in the following key areas; Human Resources, Major oil & gas projects, engineering, services, facilities and asset management. Following his tenure in SPDC and SNEPCO, Femi served as Deputy General Manager, Corporate Services, United Bank for Africa (UBA), where he was responsible for delivering corporate services to the entire UBA group of Companies in Nigeria and overseas covering; Banking and Insurance, Asset Management, Global Markets etc.

Solomon Dada Thomas – Non-Executive Director

Dada Thomas has a strong background in Facilities Engineering and more than 33 years of oil industry track record, including 22 years in the Shell Group. He has pursued various business interests since leaving Shell in 1998 and has grown a portfolio of interests in a number of oil and gas companies.

Dada is a co-founder of Rhodax Holdings & Investment Limited Group, an investment company with varied interest in Real Estate, Oil & Gas, Logistics, Construction, Facilities Management, and

Telecommunications.

He is also the CEO of Frontier Oil Ltd, a wholly-owned Nigeria Exploration and Production Company.

Jide Balogun – Non-Executive Director

Jide brings a wealth of experience from the Nigerian real estate market, where he has directly initiated and overseen developments in excess of $150 Million (N24 Billion) over the last five years. In addition to his legal background, Jide worked in Corporate Finance and Investment Banking at one of the leading investment banks in the country. He is a member of the Nigerian Bar Association (NBA) and holds an MBA from Durham University, UK.

He is also a co-founder of Primrose Development Company (PDC), a property development company whose roots as real estate developer stretch back to more than 30 years to its progenitor organizations, Primrose Properties Investment Limited (PPIL) and City Securities Limited.

Demola Onanuga – Non-Executive Director

Demola Onanuga is the current Executive Vice Chairman of Bolton Projects. He holds a degree in Pharmacy from University of Ife (now OAU) and an MBA from the University of Wales, Cardiff. He has been involved in the marketing and provision of IT hardware and communication systems to a wide range of clientele in the UK and in West Africa.

Demola has worked with a number of reputable organizations such as the Central Bank of Nigeria and Pfizer Plc., where he distinguished himself as an achiever, before co-founding BASSCOMM Nigeria Ltd.

BASSCOMM is an engineering solutions firm that specializes in integrated systems engineering design for various sectors including oil & gas, construction, telecommunication, petrochemical and manufacturing.

Kenny McCrae – Non-Executive Director

Kenny McCrae, is a Director at Cluttons GFM JL. He is the Head of Global Facilities Management for Cluttons and their partners in the Corporate Real Estate market covering APAC including Greater China, Middle East Africa and Europe.

Cluttons has been operating in both the residential and commercial property markets for 250 years, covering London, the Middle East, Asia and lately Africa with services in residential sales & lettings, commercial leasing & investment, consultancy, property & facilities management and valuation.

ALPHA MEAD DEVELOPMENT COMPANY LIMITED

Alpha Mead Development Company ("AMDC") is a Real Estate Development, Asset Management and Advisory firm established in 2013. AMDC's focus is to be a major stakeholder in bridging Nigeria's huge housing gap with quality and affordable homes, by partnering with global brands to deploy technology, capacity and expertise to meet Nigeria's estimated four million middle income housing needs.

AMDC leverages on the experience, expertise and international standards of Alpha Mead Facilities & Management Services Limited (AMFM) – Nigeria's first facility management company certified to International Standards of the ISO 9001-2008, by the UKAS and ANAB in the U.K and U.S respectively – to provide functional and safe communities for its customers to live, work and play.

Having identified market realties such as skill gap, low quality buildings and longer delivery time for houses in the country, AMDC has adopted a strategic and innovative approach to delivering homes at a faster, cheaper and better quality level to its customers. Since its inception, AMDC has invested in capacity and technology that can now **deliver homes between seven to ten days** – post foundation, reduce cost between 10% and 20%, and cut material wastage to near-zero level.

Through its Advisory Services, AMDC has also taken a research-driven approach to ease the financing bottleneck that inhibits homeownership and profitable Real Estate investment. Working with reputable financial partners, AMDC has designed convenient and flexible payment plans that have lowered home ownership entry level from the current average of N6 million, to as low as N250,000 monthly, in the interest of the market. This innovative approach, deployed under a scheme called AMPOISE (an acronym for Alpha Mead Property Ownership Investment Scheme), is being implemented across various sites in Nigeria, with key focus on major cities such as: Lagos, Abuja and Port-Harcourt. The goal of AMPOISE is to drive the vision of AMDC to be the biggest provider of quality and affordable housing to the middle income level tier market in Nigeria by the year 2020.

From concept to completion, AMDC has perfected the art of leveraging local capacity to deliver global standards by working with global partners like Wall-Tiles and Forms – a recognized world leader in the formwork industry which produces and ships over 30 million tiles a year and over 200,000 aluminium concrete forms to Brazil, Singapore, and other markets in 45 countries around the world – to help Nigerian middle-income class fulfil their home ownership dreams.

Products and Services

The services and operations of AMDC comprise the following business areas:

- Advanced Building Solutions
- Design Bouquet Services
- Asset Management and Property Management
- Real Estate Advisory
- Project Management

Project Portfolio

Lekki Pearl Estate:

Lekki Pearl is a world class, residential development implemented by Alpha Mead Development Company (AMDC). Lekki Pearl is a functional and qualitative 112-unit residential development being implemented by AMDC. Tucked away in the heart of the rapidly developing Lekki axis, the development sets a new benchmark for sustainable residential developments in Lagos.

This estate is a deliberate attempt to create a liveable and functional community with good infrastructure, where people can live close to key business and leisure areas like Cinemas, Malls, Beach, Schools, Big Markets, a Nature park, a Conservation park and Bars. Lekki Pearl provides the much-needed premium value for its residents along with world class facilities.

The Estate is located at about five minutes' drive from Victoria Garden City (VGC) and within walking distance from Lagos Business School (LBS). It is also in close proximity to major estate projects such as Chevron Twin Lakes, Crown Estate, Golden Park Estate, amongst other quality developments in the Lekki axis.

The development, which has four different house types, is one of the projects under the AMPOISE Scheme; where AMDC is working to create wealth for middle income Nigerians through Real Estate investment.

The project which it to be implemented over three (3) phases is currently in its first phase (phase 1) – comprising Avista Villa (5 bedroom fully detached with BQ), Arden Villa (4 bedroom semi-detached with BQ), Alverstone Terrace (4 bedroom terrace with BQ) and Acropolis Flats (3 bedrooms flats). The phase one is estimated to be completed by Q3 of 2017.

Green Park Estates

Green Park Estates is a gated layout development with infrastructure, located within Fidiso Village opposite Fara Park Lekki Lagos. The scheme is situated within the new Lekki which is one of the fastest growing real estate developments around the Lekki axis and is 5 minutes drive from the the Novare Lekki Mall Sangotedo. Other estates within the vicinity include Amity estate, Farapark estate, Abijo GRA etc.

Green park estate is 50 hectares of land which comprises of 600 residential plots measuring 400sqms each, a recreation park, mixed use centres among other uses.

Transcendence Estate

Transcendence Estate is strategically located within the Lekki Phase II axis which is one of the fastest growing real estate properties around the Lekki axis. The estate has dual access through Sangotedo and Ajah roundabout which makes it a unique landmark in the heart of Lekki. It is a 320 square meters residential plot of land.

Marketing and Off-take Methods

AMDC is presently in the process of entering into a strategic relationship with the Mortgage Warehouse Funding Limited ("MWFL") as a means to significantly improve affordability and drive sales volume. MWFL is a member-user mortgage origination funding company that provides liquidity to its member banks for financing the origination of mortgage loans. Under this arrangement, AMDC would have at its disposal all the member banks of MWFL (which stood at seven as at the time of drafting this prospectus) on standby to provide mortgage finance (off-take) to home buyers at the point of completion of its real estate projects. With off-take finance assured, buyers of AMDC real estate developments would, instead paying up for the full value of the property at the point of purchase or go into a payment plan in which they are required to make full payment within a 24-month period, have the option of coming up with only 20% of the value of the property from the time of off-plan purchase to the point of completion. At the point of completion of project all buyers get mortgage finance from a partner mortgage bank.

AMDC has also entered into an MOU with Meristem Trustee Limited; one of the major Trust and Asset Management Companies in Nigeria as a means to attract off-take from Nigerians in diaspora. Under this arrangement, Nigerians in diaspora can feel confident to purchase properties developed by AMDC through a Trust Company who acts on their behalf thereby providing assurance in respect of the purchase. AMDC believes that this will significantly expand its market and further drive sales volume.

A Deed of Assignment shall be executed with every purchaser of the AMDC properties/land, alienating their interest from the assets of AMDC.

Set out below is the form of the Pricing Supplement which will be completed by the Issuer for each Series of Bonds issued under the Programme:

Pricing Supplement (Supplementary Shelf Prospectus)
To the Base Shelf Prospectus dated [•]

Alpha Mead Funding Company Plc.

Issue of [₦] [Title of Bonds]

Under the ₦[■]Short Term Bond Programme

Issue Price: [■] per unit
Payable in full on Application

Application list Opens: [●]
Application list Closes: [●]

This Pricing Supplement is prepared for the purpose of Rule 279 of the Rules and Regulation of the Securities & Exchange Commission ("the Commission" or SEC) in connection with the ₦[■] Short Term Bond Programme established by Alpha Mead Funding Company Plc. ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated [■]and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from the Lead Issuing House.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No Securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series [■] Bonds" or "Bonds"). Application has been made to the Council of a Securities Exchange for the admission of the Bonds to the Daily Official List of the Securities Exchange.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

1.	Issuer:	[Alpha Mead Funding Company Plc.]
2.	Series Number:	[•]
3.	Aggregate Principal Amount of Series	[•]
4.	(i) Issue Price	[•]
	(ii) Gross Proceeds	[•]
5.	Denomination(s)	[•]
6.	(i) Issue Date	[•]
	(ii) Interest Commencement Date (if different from Issue Date)	[•]
7.	Maturity Date	[•]
8.	Interest Basis	[• % Fixed Rate]
		[• % Floating Rate]
9.	Redemption/Payment Basis	[•]
10.	Status:	[•]
11.	Security	[•]
12.	Listing(s):	[Nigerian Stock Exchange/FMDQ OTC Securities exchange]
13.	Method of Distribution:	[•]
14.	Offer Period	[•]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Bond Provisions	
	(i) Interest Rate(s)	[• %]
	(ii) Interest Payment Date(s):	[•]
	(iii) Interest Amount(s):	[•]
	(iv) Day Count Fraction:	[•]
	(v) Business Day Convention:	[Following Business Day Convention/ Preceding Business Day Convention/ Modified Business Day]

	(vi) Business Day:	[●]
	(vii) Other terms relating to method of calculating interest for Fixed Rate Bonds:	[Not Applicable/Give Details]
16.	Floating Rate Bond Provisions	[Applicable/Not Applicable]
		(if not delete the remaining sub-paragraphs of this paragraph)
	(i) Interest Payment Date(s):	[●]
	(ii) Reference Banks	[●]
	(iii)Spread (if applicable)	[●]
	(iv)Party responsible for calculating interest rate and interest amount(s)	
	(v) Relevant Time (if applicable)	[●]
	(vi)Screen Rate Determination	[●]
	- Benchmark	[NIBOR/MPR/FGN/Nigerian Treasury Bills Rate)
	- Interest Determination Dates(s)	[●]
	- Relevant Screen Page	[●]
	(vii) Day Count Fraction	[●]

PROVISIONS RELATING TO REDEMPTION

17.	Optional Early Redemption (Call Option):	[Applicable/Not Applicable]
18.	Optional Early Redemption (Put Option):	[Applicable/Not Applicable]
19.	Scheduled Redemption/Amortisation:	[Applicable/Not Applicable]
20.	Redemption Amount(s):	[●]
21.	Scheduled Redemption Dates:	[●]
22.	Final Redemption Amount:	[●]

GENERAL PROVISIONS APPLICABLE TO THE BONDS

23.	Form of Bonds:	Dematerialised Bonds
	(i) Registrar:	[●]
	(ii) Clearing System:	[●]
24.	Trustee(s)	[●]
25.	Record Date:	[●]

26.	Other terms or special conditions:	[•]
	DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS	
27.	Underwritten/Book-building	[•]
28.	If Underwritten, names of Underwriters	[•]
29.	Clearing System:	Central Securities Clearing System Limited
	GENERAL	
30.	Rating	[•]
31.	Taxation	[•]
32.	Governing Law	Nigeria
	APPENDICES	
33.	Appendices	[List and Attach Appendices if applicable]

USE OF PROCEEDS

The Issuer seeks to raise short term debt under the Programme in order to invest in debt securities issued by the Underlying Companies.
The use of proceeds for the relevant Series of Securities issued under the Programme shall be specified in the applicable Pricing Supplement.

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document and in the Shelf Prospectus dated [•] [and the supplementary shelf prospectus dated [•], there has been no significant change in the financial or trading position of the Issuer and the Underlying Companies since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer and the Underlying Companies since [insert date of last published annual accounts].

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Shelf Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds.

Signed on behalf of the Issuer:

______________________________ ______________________________

Company Secretary/Director **Director**

The following is a general summary of Nigerian tax consequences as of the date hereof. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a Bondholder or prospective Bondholder. In view of its general nature, it should be treated with corresponding caution. It is not exhaustive and purchasers are urged to consult their professional advisors as to the tax consequences to them of holding or transferring the Bonds. Except as otherwise indicated, this summary only addresses Nigerian tax legislation, as in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Taxation of Bondholders

Under Nigerian law, payments of principal and interest on the Bonds to an individual who is a non-resident of Nigeria or to a legal entity that is neither incorporated in Nigeria, nor has a permanent establishment in Nigeria or otherwise has no taxable presence in Nigeria (together, "Non-Nigerian Holders") will not be subject to taxation in Nigeria, and no withholding of any Nigerian tax will be required on any such payments. In addition, gains realized by Non-Nigerian Holders derived from the disposal, sale, exchange or transfer of the Bonds will not be subject to capital gains tax or value added tax in Nigeria.

Under the Capital Gains Tax Act C1 LFN 2004 (as amended) (the "CGT Act") there is capital gains tax on disposal of corporate bonds or other debt instruments not issued by the Federal Government of Nigeria. Thus, gains realized by such Nigerian Holders from the disposal, sale, exchange or transfer of the Bonds may be subject to capital gains tax at the rate of 10 per cent. Although the Federal Government has approved a waiver of capital gains tax on gains realized from the disposal of corporate bonds, the legislative and administrative processes required to give legal effect to the waiver have not yet been implemented.

Save for this, the transaction between any Bondholder and the Issuer will not be liable to any form of taxation in Nigeria.

Stamp duties

The Trust Deed, the Vending Agreement, the Intercompany Bond Issuance Agreement, the Accounts & Paying Agency Agreement, All Assets Debenture Deed and the documents for the issue of any series of Bonds will need to be stamped for the purpose of admission in evidence before a Nigerian court and enforcement by such courts. To stamp the documents, the said documents will be subject to the payment of the relevant rate of stamp duty, assessed by the Nigerian Commissioner for Stamp Duties, as prescribed by the Stamp Duties Act, Cap S8, LFN, 2004. Arrangements will need to be made for the payment of stamp duty within 40 days from when the documents are executed in Nigeria.

Stamp duty is payable in Nigeria either on a flat rate or an ad valorem basis. Each of the documents, other than the Trust Deed and each All Assets Debenture, would be subject to a nominal amount of stamp duty assessed on a flat rate of about ₦1000. In respect of each All Assets Debenture which attract ad valorem duty, the maximum rate of stamp duty payable in Nigeria in respect of such documents securing payment or repayment of money (where the security is not a marketable security transferable by delivery), is 0.375%, levied on the sum secured. Based on current practice in Nigeria, it is unclear whether stamp duty will be assessed on the Trust Deed at a flat rate or on an ad valorem basis. However, it is more likely that stamp duty will be assessed on the Trust Deed at a flat rate especially if ad valorem duty is paid on each All Assets Debenture.

Other taxes and duties

Save as set out above, no registration fees, or any other similar documentary tax, charge or duty will be payable in Nigeria by the Bondholder in respect of, or in connection with the issue of the Bonds or with respect to the payment of interest or principal by the Issuer under the Bonds.

The Issuer will issue bonds from time to time under the programme and utilise different financial instruments to on-lend the gross proceeds thereof to the Alpha Mead Companies to fund their working capital requirements, capital expenditure (CAPEX) and refinance existing loans as more specifically specified in the applicable pricing supplement.

The Information in this section has been extracted from documents and publications publicly available and released by various public and private organizations such as the Central Bank of Nigeria (CBN), the Economic Intelligence Unit (EIU), World Development Indicators, the World Bank, International Monetary Fund, National Bureau of Statistics, other financial magazines and journals. Neither the Company nor its advisers are able to ascertain if facts have been omitted that would render the reproduced information inaccurate or misleading. The Company and its advisers have relied on the accuracy of this information without independent verification and make no representation as to its accuracy or otherwise.

Introduction

With c.195 million people as at June 2018, and an annual estimated growth rate of c.2.61%, Nigeria is the most populous country in Africa and accounts for ~47% of West Africa's populace (~2.6% of world population) and has one of the largest populations of youth in the world with a median age of 17.9.

According to the Nigerian National Petroleum Corporation (NNPC), Nigeria has a maximum crude oil production capacity of 2.5 million barrels per day and has consistently ranked as Africa's largest producer and sixth largest in the world. Nigeria's petroleum industry is the largest in Africa with proven oil and gas reserves of 37 billion barrels and 192 trillion cubic feet respectively.

The year 2017 was a year of recovery for the Nigerian economy and financial market compared to the sharp business cycle contraction witnessed in 2016 alongside weak market returns, which is consequent on the upturn in commodity prices. In response to the nation's 2016 economic headwinds, the government launched the Economic Recovery Growth Plan (ERGP) in March 2017. The ERGP set out broad targets ranging from macroeconomic stability to economic diversification and improving governance. The primary aim of the ERGP was to reflate the economy through spending in strategic sectors, like infrastructure, agriculture, solid minerals etc., to galvanise economic activities. As a result, at the end of 2017, the Nigerian economy grew by 1.40% in real terms in the third quarter of 2017which is consistent with the improvements in other indicators. According to the National Bureau of Statistics (NBS), the country's 2017 GDP (at current Basic Price) improved to ₦113.75 trillion compared to its 2016 GDP of ₦101.49 trillion. Furthermore, Moody's has forecast exponential growth in Nigeria's GDP for the medium term, predicting a rise to $4.5 trillion by 2050. This is expected to lift Nigeria to the bracket of the top 15 largest economies, rivalling countries like Holland. Nigeria accounts for ~90 % of the Gross Domestic Product (GDP) of Anglophone countries in West Africa spite of its current challenge-which makes the country Africa's largest economy. The country's economy remains heavily dependent on the oil sector, which accounts for over ~70% of government revenue and about c.90% of foreign exchange earnings. The country's economy is driven largely by its heavy dependence on oil earnings and a traditional subsistent agricultural economy.

Over the last decade, several initiatives have been put in place to improve the country's macroeconomic management and international image. In the recent past, tighter controls on monetary policy, financial sector reforms and the use of oil revenues to reduce Nigeria's debt burden have considerably bolstered the country's external reserves position. External borrowing has become a strong economic tool to supplement domestic savings and allow the government to carry out infrastructural development, accelerate economic activities and fund budget deficits. Having fully repaid its Paris Club debt which was estimated at US$30.5 billion, however, Nigeria's external debt obligation has increased and estimated at US$22.07 billion (₦6.75 trillion) as at March 2018.

Table 1: Macroeconomic Indicators

Indicators	
GDP (₦'tr), 2017	113.71
GDP (US$'bn), 2017	371.61
GDP growth rate (%), 2017	0.83%
Population, mn	195
GDP per capita (US$)	2,738
External Reserves (US$'bn) *(May 31, 2018)*	47.61
Domestic debt, (₦'tr) *(March. 31, 2018)*	15.96
External debt (₦ 'tr) *(March. 31, 2018)*	6.75
Debt/GDP (%), March. 2018	20.00
Monetary Policy Rate (%) *(June 2018)*	14.00
Inflation (%), May, 2018	11.61
Inflation (%), 12-mth. Av.	14.85

Source: National Bureau of Statistics, Debt Management Office, DLM Research

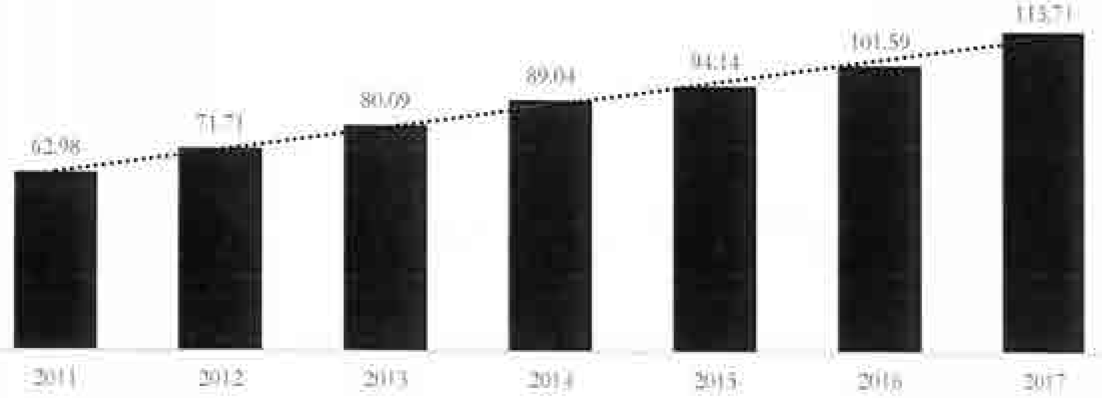
Gross Domestic Product

Nigeria's macro-economy has recorded significant growth over the past decade. Despite headwinds, Nigeria's nominal GDP breached the NGN100trillion mark for the first time ever in 2016, growing from ₦24.08 trillion in 2004 to ₦101.49 trillion in 2016 largely driven by the non-oil sector. In 2015, the economy slowed sharply as real GDP growth decelerated to 2.79% year-on-year from 6.2% year-on-year in 2014. In 2016, the economy recorded its first recession since 1991, recording a GDP contraction of -1.58% year-on-year as disruptions in crude oil production exacerbated the decline in the oil price, and low investment inflow, low government spending, depressed FX reserves, delayed fiscal stimulus and lack of clarity on the policy environment spilled over to the non-oil sector, resulting to the non-oil sector contracting by 0.2% year-on-year. However, by Q2'17, the Nigerian economy exited recession recording a positive growth rate of 0.5% year-on-year, which was supported by recovery in the oil sector, improvement in oil prices and production volumes. In addition, the non-oil sector recorded a positive growth spurred by a recovery in the manufacturing sector due to improved foreign exchange (FX) liquidity.

The economy further improved in the last quarter of 2017 as the GDP accelerated 1.92%, maintaining its positive growth since the emergence of the economy from recession in the second quarter of 2017. The 2017 fourth quarter GDP growth is against the contraction of –1.73 per cent recorded in Q4 2016 and a growth of 1.40 per cent recorded in Q3 2017.

As a result, in 2017, Nigeria economy recorded a growth of 0.83% year-on-year.

Figure 3: Nigeria's Nominal GDP (2010-2017), ₦'trillion



Source: National Bureau of Statistics

Figure 3: Nigeria's Nominal GDP Growth (2010-2017), %

Source: National Bureau of Statistics

Fiscal Policy and Government Debt

After the 2005 debt relief granted to Nigeria by the Paris Club which reduced the debt stock of Nigeria from \$36.63bn to \$3.51bn, the nation's total debt stock have started rising, especially domestic debt. The nation's total domestic debts rose from ₦3.2 trillion in December 2009 to ₦15.96trillion as at 31 March 2018, whilepublic debt as at March 2018 stood at ₦22.714trillion (\$74.28billion), decomposed into ₦12.58trillion (\$41.15billion –FGN only), ₦15.96trillion (\$52.21billion – FGN and States), and ₦3.38trillion (\$11.06billion –States only), representing domestic debt and external debt respectively. This representing an increase of 4.51% over total public debt as at December 2017. Debt owed to multilateral organisations accounted for 49.52% of total external debt stock while bilateral and FGN Bonds accounted for 10.61% and 39.87% respectively. The debt dynamics from the current perspective show the increasing strain on government finances to meet its growing obligations. The Federal Government's principal source of raising domestic capital between 2003 and 2006 was treasury bills. Since then however, there has been a shift to the issuance of Federal Government Bonds which now account for approximately 73.66% of the domestic debt stocks. The rise in the nation's domestic debt stock was as a result of the need for the government to provide long term funding for its planned infrastructure developments and budgetary allocations. Overall, Nigeria has one of the lowest debt to GDP ratios which currently stands at c.20% below the globally acceptable benchmark of c.30% of GDP for frontier markets. Nigeria's public debt to revenue ratio for 2016 is 393.3% and it is projected to peak at 437.9% in 2018, both higher than country specific threshold, despite optimistic assumptions. Assuming Nigeria's revenue grows at the same rate as it did in the second half of 2017, total government revenue for 2018 is expected to rise above N5.9 trillion but below the N7.16 trillion as stated in the 2018 budget. The future fiscal options for Nigeria and implications for debt will depend on the growth of non-oil exports, improved productivity and real income, the broadening of country's economy and tax base, the closure of loopholes and the growth of GDP. However, there is a need to adopt a cautious approach towards borrowing through improved fiscal prudence and ensuring that all debts are channelled towards specific investments in infrastructure that supports the creation of employment opportunities, economic growth and ease of re-payment. In May, 2017, the National Assembly passed the 2017 Appropriations Bill, raising the national budget from ₦7.28 trillion earlier proposed by President Muhammadu Buhari in December, to ₦7.44 trillion. This represents an increase of about 22.57% over the 2016 Appropriation of ₦6.07trillion. The key assumptions underpinning the budget include a crude oil benchmark price of \$42.5 per barrel with an oil production estimate of 2.2million barrels per day and an exchange rate of ₦305/\$1. With total expected revenue at ₦5.08 trillion, projected deficit is ₦2.36 trillion, which translates to about 31.72% of the total budget and expected to be financed largely through borrowing and refunds from looted funds. The capital expenditure component of the budget is ₦2 trillion (principally infrastructure), with more than ₦500 billion directed into investments in roads, power and housing projects. The capital expenditure component represents 26.88% of the total budget.

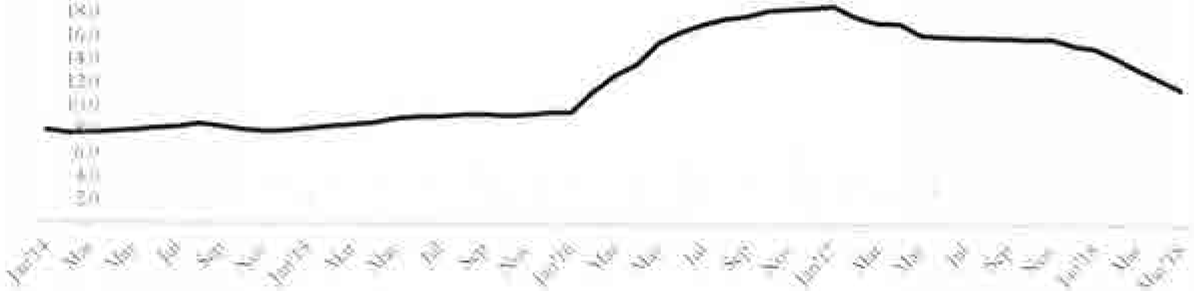
In June 2018, President Buhari signed into law the 2018 budget of ₦9.1 trillion, representing a 22.31% increase from the 2017 budget, and was based on a crude oil benchmark price of US$51 per barrel and a production estimate of 2.3 million barrels per day. With a revenue projection of ₦7.16 trillion, the government is expected to run a deficit of ₦1.95 trillion, representing a deficit/GDP of 1.74% compared to 2.18% deficit/GDP ratio in 2017. It is worthy of note that emphasis has been placed by the Federal Government on capital expenditure which represents about 31.5% of the budget compared to the 2017 budget where only 26% of the total budget was allocated to capital expenditure. The government's expansionary fiscal stance will see the government ramping up its spending and compel the government to increase its borrowings as well to offset the huge deficit. The deficit is expected to be financed by a combination of domestic and foreign borrowing of ₦984 billion and ₦900 billion respectively, and recovery of looted funds.

Monetary Policy and Inflation

Nigeria's Monetary Policy Committee (MPC) met six times in 2016 in a bid to evaluate domestic and international economic conditions which determines the economy's policy direction. The monetary policy rate (MPR) was retained at 14% after it was moved from 12% in July 2016. In addition, the Cash Reserve Ratio (CRR) and Liquidity Ratio were retained at 22.50 percent and 30.00 percent respectively. The basis for the hike at that time was attributed to the assertion that the apex bank lacked the instruments required to directly jumpstart growth. The committee's decision was also underpinned by the need to improve the liquidity and depth of the foreign exchange market to ensure self-sustainability.

Subsequent to the decline in oil price and the attendant depreciation of the Naira, meeting demand for foreign exchange, and making sure that it gets to the end-users at the fixed rate has been one of the toughest tests for the Central Bank of Nigeria (CBN) in recent times. However, the gradual increase in oil production, increased oil prices, modest improvements in exchange rate policy, and federal government external commercial borrowings has helped to increase foreign currency inflows into the Nigerian economy since 2017. Nigeria's headline inflation rate increased by 18.72 percent (year-on-year) in January 2017, 0.17 percentage points higher from the rate recorded in December 2016 (18.55) percent; thereby heralding the movement of the nation's inflation rate in the double-digit range, predominantly driven by the rise in food staples, exchange rate pass-through from imported goods, and seasonal factors. The inflation rate however recorded its first decline in February 2017 with an inflation rate of 17.78% and has maintained the downward trend with May2018 inflation rate standing at 11.61%.

Figure 4: Nigeria's Headline Inflation Rate (%), January 2014 – May2018 9 *(Source: Central Bank of Nigeria)*

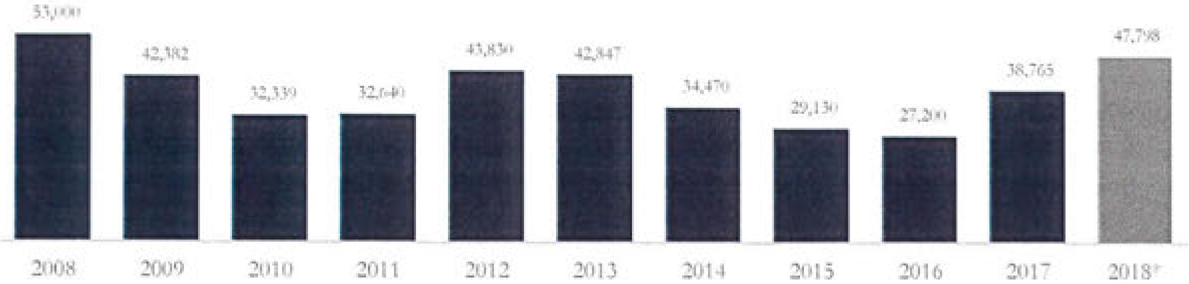


External Reserves

The Central Bank of Nigeria Act 1991 vests the custody and management of the country's external reserves in the CBN. Nigeria's external reserves derive mainly from the proceeds of crude oil production and sales. Oil has remained the major source of Nigeria's foreign exchange earnings accounting for over 90% of its foreign exchange. This explains the vulnerability observed in its capital account as a result of the fluctuations in crude oil prices.

According to the CBN, the external reserves closed the year 2017 at US$38.76billion on December 29, 2017 up from the US$25.40billion recorded at the beginning of that year. Although increasing, however, this represents a marked decline in the country's foreign reserves compared to US$50billion recorded in 2013 which is primarily caused by the huge decline in global oil prices. In January 2018, and for the first time in President Buhari's administration since he assumed office in May 2015, Nigeria's external reserves hit US$30bilion – the first time being in July 2015 with external reserves at US$31billion. One of the most significant drivers has been the sharp decline in the country's import bill, as a direct result of the June 2015 CBN's policy to restrict FX access to items which could be produced locally: the "41-items policy". Despite the initial pushbacks against this policy, it has no doubt heralded significant benefits for the country.

Figure 5: CBN Foreign Reserves, 2008 - 2016 (US$'millions)



Source: Central Bank of Nigeria

The Naira has been significantly affected by the developments in the oil price market which has affected the country's reserves. Nigeria's foreign currency reserves is expected to hit $57 billion by year-end which compares to South Africa's $50.5 billion reserve and Egypt's $38 billion as of end-February 2018. Higher oil prices, increased foreign portfolio inflows and less CBN interventions in the foreign exchange market are key factors likely to spur reserve accretion. The naira has converged below ₦400/$ this year as the CBN remains determined to achieve a unified exchange rate. Despite the marked increase recorded, the current level of reserves has been a source of worry even as oil theft, pipeline vandalism, and smuggling has reduced which helped to to bolster the nation's oil production and foreign reserves. According to the April 2017 NNPC Financial and Operations report r, downstream pipeline sabotage decreased from 94 pipeline vandalized points in March, 2017 to 82 in April 2017, representing a 12.77% reduction relative to the previous month. The April 2017 numbers also indicate substantial progress compared to corresponding period of April 2016 which recorded 214 incidents. However, the sustainability of the reserves which is largely affected by oil prices and oil production levels remains a challenge for the CBN as it continues to intervene in the FX market.

Foreign Exchange Management

The foreign exchange market in Nigeria has evolved over time influenced by a number of factors such as the changing pattern of international trade, institutional changes in the economy and structural shifts in production. The second-tier foreign exchange market was introduced in September, 1986, the unified official market in 1987, the autonomous foreign exchange market in 1995 and the inter-bank foreign exchange market in 1999. The parallel market for foreign exchange has existed since the exchange control era. The scarcity in the official sector and the bureaucratic procedures necessitated the growth and development of the parallel market. Since the introduction of the Wholesale Dutch Auction System (WDAS) and the Retail Dutch Auction System (RDAS) in 2006, the liberalised FX market witnessed unprecedented stability including the unification of exchange rates between the official and inter-bank markets and resolution of multiple currency problems.

In 2006, the CBN scrapped the RDAS and WDAS foreign exchange windows to help stabilise the nation's currency which meant that all demand for exchange was to be channelled to the inter-bank foreign exchange market. The policy was inevitable as the widening margin between the rates in the inter-bank and the RDAS FX windows had engendered the inefficient allocation of scarce foreign exchange by creating opportunity for round-tripping and other forms of rent-seeking activities in the market. In November 2014, the CBN announced the devaluation of the naira with the new exchange rate officially set at ₦168 to a dollar, down by 8% from the initial ₦155 to a dollar. This move, according to the CBN, was aimed at strengthening the currency in the course of the dwindling oil price as the country struggled to reshape its fiscal policies. In February 2015, the CBN further devalued the naira as it began to sell the dollars at ₦198, far below its self-set band of ₦160 – ₦176.

In the face of intense pressures on external reserves and foreign exchange supply crises, the CBN in May 2016, abandoned its fixed exchange rate policy in favour of a flexible and multiple-market model implying a floating exchange rate regime. Under this regime, the FX market will be purely market-driven using the Thomson-Reuters Order Matching System and the FMDQ Conversational Dealing Book; the CBN however participates in the market through periodic interventions to either buy or sell FX as the need arises. With this new regime, the naira has traded between ₦305 and ₦306 to a dollar at the interbank market while the CBN will ensure availability of the dollar through the FX Primary Dealers for customers. The CBN introduced an over the counter (OTC) naira-settled futures with daily rates on the CBN-approved FMDQ Trading and Reporting System. The futures will help moderate volatility in the exchange rate by moving non-urgent FX demand from the spot to the futures market.

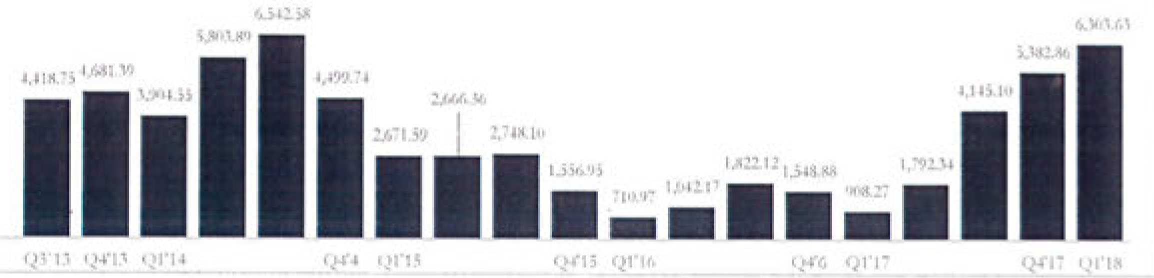
The CBN released guidelines for individuals to access FX for medical, school fees and travel costs under the new policy. This is in continuation of the apex bank's efforts to increase FX availability in the Nigerian Foreign Exchange Market, and the need to ease the difficulties encountered by Nigerians in obtaining funds for some invisible transactions. The CBN is to sell FX to selected banks on a weekly basis to meet the demand for the above-mentioned bills which will ensure that speculative demand for FX is reduced to its barest minimum.

Foreign Direct Investment

Total capital importation into Nigeria, which comprises total Foreign Direct Investment (FDI), Foreign Portfolio Investment (FPI) and other investments but excludes re-investment earnings, fell from US$2.28 billion in 2014 to US$1.45 billion in 2015. The first quarter in 2018 saw a continuous growth in total Capital Importation into Nigeria, the fourth consecutive quarterly increase since Q2 2017. The total value of capital imported in the quarter stood at US$6,303.63 million, which is a year on year increase of 594.03% and a 17.11% growth over the figure reported in the previous quarter. This increase in capital inflow in Q1, 2018 was driven mainly by Portfolio Investment, which grew from US$3,477.53 million in the previous quarter to US$4,565.09 million, accounting for 72.42% of the total Capital Importation during the quarter. In the first quarter, Foreign Direct Investment stood at US$246.62 million, falling by 34.83% from the figure reported in the previous quarter, and growing by 16.67% on a year-on-year basis. Equity Investment, a sub-category under FDI contributed (US$246.61 million) or 99.9% of FDI during the quarter, while Other Capital under FDI contributed less than 0.001%. Portfolio Investment remained the largest component of total capital inflow into Nigeria in the first quarter of 2018. The total value of Portfolio Investment was US$4,565.1 million, which is a 1,355.66% growth compared to Q1, 2017 and a 31.27% growth compared to the figure reported in Q4, 2017. The strong growth of Portfolio Investment was mainly due to the increase in Money Market Instruments

According to data from the Nigerian Bureau Statistics, the total capital imported into the country in 2017 increased from US$5.1 billion dollars in 2016 to US$12.2 billion in 2017. . In the third quarter of 2016, the total value of FDIs was US$340.64million. The growth in Capital Importation in 2017 was mainly driven by an increase in Portfolio Investment, which went up by US$5,516.2 million from the previous year to reach US$7,329.1 million in 2017, and accounting for 60% of capital imported. The total value of Foreign Direct Investment recorded in the fourth quarter of 2017 was $378.4 million, representing a year on year increase of 9.8%, while Other Investment recorded $1,526.9, growing by 66% when compared to quarter 4 of 2016. The United Kingdom kept its leading role in capital investment in Nigeria in the first quarter of 2018, with US$2.25 billion capital invested in Nigeria and closely followed by United States and the South Africa which accounted for US$1.26 billion and US$493.22million respectively. Foreign investors' continued interests in Nigeria will be driven mainly by their continued search for improved yield in global markets, its perceived economic growth prospects and the country's need to bridge its infrastructure deficit in identified sectors.

Figure 6: Total Foreign Direct Investments in Nigeria, Q3'13 – Q1'18 (US$'millions)



Source: National Bureau of Statistics

Unless the context otherwise requires, the following expressions shall have the meanings respectively assigned to them:

"Account Bank Agreement"	means the agreement dated on or about the date hereof among the Issuer, the Trustee, the Account Bank and other persons expressed to be parties to it;
"Account Bank"	means, Zenith Bank Plc. or any other commercial bank licensed by the Central Bank of Nigeria as account bank or in replacement of any existing account bank pursuant to the provisions of the Trust Deed and/or Account Bank Agreement;
"Business Day"	means a day (other than a Saturday, Sunday or Federal Government of Nigeria declared public holiday) on which commercial banks are open for general business in Abuja and Lagos;
"Business Day Convention",	means in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings: (i) "Following Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day; (ii) "Modified Following Business Day Convention" or "Modified Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day; (iii) "Preceding Business Day Convention" means that the relevant date shall be brought forward to the first preceding day that is a Business Day; (iv) "Floating Rate Convention" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms as the Specified Period after the calendar month in which the preceding such date occurred, provided, however, that: (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month; (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;
"Board of Directors"	means the directors of the Issuer.;

"Bonds" or **"Securities"**	means the securities of any Series issued by the Company pursuant to the Programme constituted by the Trust Deed and upon the terms and conditions stipulated in this Shelf Prospectus and the applicable Final Terms;
"Bondholder"	means any person for the time being entered in the Register or the CSCS as a holder of a unit or units #of the Bonds and includes persons so registered as joint holders;
"Conditions"	means in relation to the Bonds of any Series, the terms and conditions to be endorsed, or incorporated by reference in, the applicable Series Trust Deed, or in such other form, having regard to the terms of the relevant Series, as may be agreed between the Company, the Trustee(s) and the relevant Issuing House(s) as modified and supplemented by the Final Terms applicable to such Series, as any of the same may from time to time be modified in accordance with the provisions of this Deed and any reference in this Deed to a particular numbered Condition shall be construed in relation to the Bonds of such Series accordingly;
"Closing Date"	means the closing date specified in the Final Terms relating to the Securities being issued;
"CSCS" or **"Clearing System"**	means the Central Securities Clearing System Limited;
"Day Count Fraction"	means in respect of the calculation of an amount for any period of time (the "Calculation Period") such day count fraction as may be specified in the Conditions or the applicable Final Terms, and, if "Actual/365" is specified, the actual number of days in the Calculation Period divided by 365;
"Deed" or **"Trust Deed"**	means this trust deed (and the schedules hereto) and any trust deed supplemental hereto and the Schedules (if any) thereto and the Bonds, the Conditions, all as from time to time modified in accordance with the provisions herein or therein contained;
"Denominations"	means ₦20,000,000.00 and integral multiples of ₦5,000,000.00 or such other denominations as may be specified or determined in the applicable Final Terms;
"Extraordinary Resolution"	has the meaning defined in the Trust Deed;
"Events of Default"	means in respect of a Series, in relation to any Bonds of that Series, any of the events stipulated as defined in the Programme Trust Deed;
"Final Terms"	means the relevant Supplemental Trust Deed, Supplementary Shelf Prospectus and/or Pricing Supplement specifying the final terms applicable to a Series of Bonds, provided that, in the event of inconsistency between the Supplemental Trust Deed, Supplementary Shelf Prospectus and/or Pricing Supplement, the relevant term shall have the meaning specified in the relevant document ranking the highest in the following order of priority: (i) firstly, the Supplementary Shelf Prospectus and/or Pricing Supplement; (ii) secondly, the Supplemental Trust Deed;

"Final Redemption Amount"	means, in respect of any Bond, its principal amount or such other amount as may be specified in, or determined in accordance with, the applicable Final Terms;
"Interest Amount"	means, in relation to a Bond and an Interest Period, the amount of interest payable in respect of that Bond for that Interest Period as may be specified in (an amortisation/payment schedule appended to), or determined in accordance with, the applicable Final Terms;
"Interest Period"	means each period, as specified in the applicable Final Terms, in respect of which interest accrues on the Bonds of that Series, commencing on (and including) each Interest Payment Date and ending on (but excluding) the following Interest Payment Date, provided that the first Interest Period in respect of any Series of Bonds shall be from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date thereafter, as specified in the applicable Final Terms;
"Interest Rate"	means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Bonds specified in the applicable Final Terms or calculated or determined in accordance with the provisions of the applicable Final Terms;
"Investment and Securities Act" or **"ISA"**	means the Investments and Securities Act No 29 of 2007;
"Interest Commencement Date"	means in respect of each Series of Bonds, the Issue Date or such other first date from which interest on such Bonds will accrue, as specified in the applicable Final Terms;
"Issue Date" or "Closing Date"	in relation to a Series of Bonds, means the date specified as the Issue Date or Closing Date in the Pricing Supplement relating to the particular Series to be issued;
"Issue Price"	means ₦1000 (one thousand Naira) for each Bond or such other issue price specified in the applicable Final Terms in respect of each Series of Bonds;
"Issuer" or **"Company"**	means the Alpha Mead Funding Company Plc.;
"Issuing House"	Dunn Loren Merrifield Advisory Partners Limited;
"Maturity Date"	means in relation to a Series of Bonds, the final date upon which the Bonds of that Series are to be redeemed, as set out in the applicable Final Terms;
"Minimum Working Capital Requirement"	means an estimated amount used by Alpha Mead Facilities and Management Services Limited and Alpha Mead Development Company Limited for its day to day operations in a one-month period of time;
"Month"	means a calendar month;
"Monthly Deduction Amount"	means; where applicable, an amount equal to the Annual Debt Service divided by 12 calendar months.
"Naira or ₦"	means the legal and valid currency of the Federal Republic of Nigeria;

"Offer Documents"	means this Shelf Prospectus, the Pricing Supplement and any other document specified herein issued or to be issued by the Issuing House on behalf of the Company, inviting the public to subscribe to the Securities on the terms and conditions specified in them;
"Offer" or "Issue"	means an issue, offer for subscription or purchase, or an invitation to subscribe for or purchase the Securities pursuant to the Offer Documents;
"Offer Period"	means the period for which the Issue will be open as specified in the applicable Pricing Supplement;
"Optional Redemption Amount (Call)"	means, in respect of any Bond, the principal amount outstanding at the Optional Redemption Call date or such other amount as may be specified in, or determined in accordance with, the applicable Final Terms;
"Optional Redemption Amount (Put)"	means, in respect of any Bond, the principal amount outstanding at the Optional Redemption Put date or such other amount as may be specified in, or determined in accordance with, the applicable Final Terms;
"Optional Redemption Date (Call)"	has the meaning given in the applicable Final Terms;
"Optional Redemption Date (Put)"	has the meaning given in the applicable Final Terms;
"OTC market"	means over-the-counter market;
"Payment Date" or "Interest Payment Date"	means in respect of each Series, the dates specified as such in the applicable Final Terms upon which interest and/or principal are due and payable in respect of the Bonds of that Series;
"Payment Account"	means, in relation to a Series, an account established by the Issuer with the Account Bank under the control of the Trustee which shall be funded by the Issuer with instalments to be determined in accordance with the applicable Final Terms;
"Paying Agent"	means, Zenith Bank Plc. or any other person or entity appointed as paying agent or in replacement of any existing paying agent pursuant to the provisions of the Trust Deed and/or Account Bank & Paying Agent Agreement;
"Principal Amount Outstanding"	means, on any day in relation to a Bond, the principal amount of that Bond on issue less the aggregate of all principal payments that have become due and payable in respect of that Bond and have been paid on or prior to that day;
"Pricing Supplement"	means the Supplemental Prospectus issued in relation to a Series of Bonds, the final terms specifying the relevant issue details in relation to that Series of Bonds, setting out such additional and/or other terms and conditions in such form as described in the section of the Shelf Prospectus headed "Form of Pricing Supplement";
"Priority of Payments"	means the priority of payments provided in Condition 16;

"Programme"	means the ₦10,000,000,000.00 Alpha Mead Funding Company Plc. Short Term Bond Programme constituted by the Trust Deed and prescribed in this Shelf Prospectus and the applicable Pricing Supplement;
"Programme Limit"	means ₦10,000,000,000.00 being the maximum aggregate principal amount of Bonds that can be issued and outstanding at any time under the Programme;
"Record Date"	in relation to the Bonds, means the date specified as the Record Date in the Conditions and/or the Pricing Supplement for that Series, being 15 days before the due date for the relevant payment;
"Redemption Amount" or **"Principal Redemption Amount"**	means, in respect of any Bond, its principal amount or such other amount as may be specified in (an amortisation/payment schedule appended to), or determined in accordance with, the applicable Pricing Supplement;
"Receiving Banks"	means Sterling Bank Plc and First City Monument Bank Limited;
"Redemption Amount"	means, as appropriate, the Final Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;
"Register"	means the register containing the names, particulars and Bonds held by each Bondholder kept by the Registrar;
"Registrar"	means African Prudential Registrars Plc. or any other person or entity appointed as registrars or in replacement of any existing registrar pursuant to the provisions of the Trust Deed;
"SEC" or the **"Commission"**	means the Securities and Exchange Commission established under the Investments and Securities Act;
"SEC Rules & Regulations"	means the Rules and Regulations of the Securities and Exchange Commission issued pursuant to the Investments and Securities Act No. 29 2007;
"Securities Exchange"	means this prospectus issued by the Issuer and registered with the SEC pursuant to the Rules and Regulations of the SEC;
"Series"	means an issue of Bonds that are identical in all respects, including the issue date;
"Statutory Obligation"	means an act or course of action by which any or both of the Underlying Companies is bound by law;
"Trust Deed"	means the Trust Deed entered into between the Issuer and the Trustees.
"Transaction Accounts"	means the Minimum Reserve Account, the Payment Account, the Bond Collection Account, the Revenue Accounts of the Underlying Companies, and the Operations Accounts of the Underlying Companies;
"Trustees"	means, DLM Trust Company Limited and UTL Trust Management Services Limited or any other trustee or trustees for the time being appointed under the Trust Deed or in replacement of any existing trustee; and

"Underlying Companies"	means Alpha Mead Development Company Limited and Alpha Mead Facilities and Management Services Limited and Underlying Company refers to either of them;
"Year"	means a calendar year.

ISSUER

Alpha Mead Funding Company Plc.
6 Mobolaji Johnson Avenue,
Ikoyi Lagos

DIRECTORS & COMPANY SECRETARY OF THE ISSUER

Akintunde Femi
6 Mobolaji Johnson Avenue,
Ikoyi Lagos

Thomas Dada
9A/B Joseph Adu Street, Oniru Estate
Lekki
Lagos

Adekemi Odufalu Omowaleola (Company Secretary)
6 Mobolaji Johnson Avenue,
Ikoyi Lagos

OMOLOLA ALEBIOSU

AUDITOR TO THE SPONSOR

Ernst & Young
(Chartered Accountants)
10th Floor, UBA House
57 Marina Street, Lagos

ISSUING HOUSE

Dunn Loren Merrifield Advisory Partners Limited
10th Floor, Elephant House
214 Broad Street
Lagos

Igho Dafinone

REPORTING ACCOUNTANT

Crowe Dafinone IGHO DAFINONE
Ceddi Towers
16 Wharf Road, Apapa
Lagos

REGISTRARS

African Prudential Registrars Plc.
220 Ikorodu Road
Palmgrove
Lagos

CATHERINE NWUFU

Nwaoma Obijiaku

SOLICITORS TO THE ISSUE

Templars
The Octagon (4th Floor)
13A AJ Marinho Drive
Victoria Island Annex
Lagos

SOLICITORS TO THE ISSUER

G. Elias & Co.
NCR Building (6th Floor)
6 Broad Street
Lagos Island
Lagos

Nosakhare Aguebor

KENNEDY IGHODARO

BOND AND SECURITY TRUSTEE

DLM Trust Company Limited
10th Floor, Elephant House
214 Broad Street
Lagos

BOND AND SECURITY TRUSTEE

UTL Trust Management Services Limited
ED Building (2nd Floor)
47 Marina
Lagos

OLUFUNKE AIYEPOLA

RATING AGENCY

Global Credit Rating Co.
New Africa House
17th Floor
31 Marina
Lagos

OKUNOLA HAFEEZ

RATING AGENCY

Agusto & Co. Ltd
UBA House
5th Floor
57 Marina
Lagos

Isaac Babatunde

BOOK RUNNER

Dunn Loren Merrifield Advisory Partners Limited
10th Floor
Elephant House
214 Broad Street
Lagos

RECEIVING BANK(S)

DAPO OSUNKOYA

Sterling Bank Plc
Sterling Towers
20, Marina
Lagos

Akeem Mustapha

First City Monument Bank Limited
Primrose Tower, 17A Tinubu Street,
Lagos, Nigeria

ACCOUNT BANK

Zenith Bank Plc
Zenith Heights,
Plot 87, Ajose Adeogun Street,
Victoria Island
Lagos, Nigeria

MICHAEL OSILAMA OTU