

Helios Towers Nigeria Limited and its Subsidiaries
Consolidated and Separate Financial Statements -- 31 December 2014
Together with Directors' and Independent Auditor's Reports

Contents	Page
Directors' Report	1
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity - Group	8
Statement of Changes in Equity - Company	9
Statement of Cash Flows	10
Notes to the Consolidated and Separate Financial Statements	11
Other Financial Information	41

Directors' Report

for the year ended 31 December 2014

The directors present their annual report on the affairs of Helios Towers Nigeria Limited (the "Company") and its subsidiaries, Tower Infrastructure Company Limited and Helios Towers Finance Netherland B.V (together referred to as the "Group"), together with the financial statements and independent auditor's report for the year ended 31 December 2014.

Legal Form and Principal Activity

The principal activity of the Company continues to be the managing and leasing of telecommunications infrastructure to telecommunications and other service providers. The Company was incorporated as a private limited liability company in 2002 but did not commence commercial operations until November 2005.

The Company incorporated a wholly owned subsidiary, Helios Towers Finance Netherlands B.V, a special purpose vehicle registered in the Netherlands for the issuance of the Company's Bonds. The Company also holds 100% of the equity shares capital in Tower Infrastructure Company Limited, a special purpose vehicle which holds telecommunications infrastructure.

The subsidiaries financial results for the year have been consolidated in these financial statements.

Operating Results

The following is a summary of the Group and Company's operating results as at 31 December:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Revenue	11,462,974	15,359,541	9,350,884	14,743,129
Operating profit	695,076	7,634,050	1,403,207	7,964,401
(Loss)/profit for the year	<u>(14,036,918)</u>	<u>2,574,670</u>	<u>(13,328,787)</u>	<u>2,905,021</u>

Directors and their Interests

The directors who served during the year and their interest in the shares of the Company as at 31 December 2014 were as follows:

	<u>Role/Representing</u>	<u>Number of Ordinary shares of 50k each</u>
Adedotun Sulaiman	Chairman	Nil
Oluwafemi Tejuoso	Helios Investment Partners	Nil
Femi Akingbe	Ventures and Trusts Ltd.	Nil
Abhulime Ehiagwina	Chief Financial Officer (CFO)	Nil
Babatunde Soyoye	Helios Investment Partners	Nil
Charles Green*	Helios Investment Partners Resigned 20 June 2014	Nil
Inderpal Bajaj**	Chief Executive Officer (CEO)	Nil
Nandkishor Moharir**	Shanduka Group (Pty) Ltd. Resigned 30 November 2014	Nil
Simon Poole***	Helios Investment Partners Resigned 20 June 2014	Nil
Phuti Malabie****	Shanduka Group (Pty) Ltd.	Nil
Sam Senbanjo***	Helios Investment Partners Appointed 20 June 2014	Nil
Dave Govender ****	Shanduka Group (Pty) Ltd. Appointed 30 November 2014	Nil
Kamar Bakrin	Helios Investment Partners Appointed 20 June 2014	Nil

*American ** Indian ***British ****South African

Other than as disclosed above, the directors do not have any other interests required to be disclosed under section 275 of the Companies and Allied Matters Act of Nigeria.

In accordance with Section 277 of the Companies and Allied Matters Act of Nigeria, no director notified the Company of any declarable interest in any contract in which the Group and Company was involved during the year under review.

Analysis of Shareholding

An analysis of the distribution of the Company's shares as at 31 December 2014 was as follows:

	Number of Ordinary shares of 50k each	Amount ₦
Helios Towers Mauritius Holdings Limited	70,772,329	35,386,165
Mr Temitope Lawani	1	-
	70,772,330	35,386,165

Property, Plant & Equipment (PPE)

Information relating to changes in property, plant & equipment is disclosed in Note 9 to these financial statements.

Charitable Donations

The Company did not make any charitable donation during the year (2013: Nil).

In accordance with Section 38(2) of the Companies and Allied Matters Act of Nigeria, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

Employment and Employees:

(a) Employment of Physically Challenged Persons:

The Company has no physically challenged persons in its employment (2013: Nil). However, applications for employment by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

(b) Health, Safety and Welfare at Work:

The Company places a high premium on the health, safety and welfare of its employees in their place of work. 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. In order to protect other persons against risk to health and safety hazards arising out of or in connection with activities at work, the Group also provides medical assistance to its employees.

(c) Employee Consultation and Training:

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Employees receive both internal and external training as and when considered necessary.

Independent Auditors

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

BY ORDER OF THE BOARD

Inderpal Bajaj
Chief Executive Officer

Lagos, Nigeria

2015

Statement of Directors' Responsibilities

for the year ended 31 December 2014

The directors accept responsibility for the preparation of the annual financial statements set out on pages 6 to 40 that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Inderpal Bajaj
Chief Executive Officer
2015

Abhulime Ehiagwina
Chief Financial Officer
2015

INDEPENDENT AUDITOR'S REPORT

To the Members of **Helios Towers Nigeria Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Helios Towers Nigeria Limited (“the Company”) and its subsidiaries (together “the Group”)**, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 40.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

Signed:

Goodluck C. Obi, FCA
FRC/2012/ICAN/00000000442
For: KPMG Professional Services
Chartered Accountants
24 April 2015
Lagos, Nigeria

Statement of Financial Position

as at 31 December

	Notes	Group		Company	
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Assets					
Non-current assets					
Property, plant and equipment	9	26,321,839	28,192,530	20,517,647	21,836,543
Prepayments	10(a)	5,687,117	5,053,336	5,687,117	5,053,336
Intangible assets	11	16,761	10,995	16,761	10,995
Investment in subsidiary	12	-	-	1,000	1,000
Total non-current assets		32,025,717	33,256,861	26,222,525	26,901,874
Current assets					
Inventory	13	221,144	259,626	221,144	259,626
Trade and other receivables	14	1,969,841	2,727,878	8,811,515	9,413,216
Prepayments	10(c)	767,795	571,188	767,795	571,188
Cash and cash equivalents	15	3,359,599	2,278,771	3,359,599	2,278,771
Total current assets		6,318,379	5,837,463	13,160,053	12,522,801
Total assets		38,344,096	39,094,324	39,382,578	39,424,675
Equity					
Share capital		35,386	33,456	35,386	33,456
Share premium		17,274,663	8,998,951	17,274,663	8,998,951
Contribution for shares	16(c)	-	8,277,642	-	8,277,642
Share based payment reserve	18	408,794	408,794	408,794	408,794
Retained earnings		(28,419,260)	(14,382,342)	(27,380,778)	(14,051,991)
Total equity		(10,700,417)	3,336,501	(9,661,935)	3,666,852
Liabilities					
Non-current liabilities					
Loans and borrowings	17	44,972,440	23,172,385	44,972,440	23,172,385
Provisions	19	16,918	22,789	16,918	22,789
Total non-current liabilities		44,989,358	23,195,174	44,989,358	23,195,174
Current liabilities					
Trade and other payables	20	2,245,055	3,262,720	2,245,055	3,262,720
Loans and borrowings	17	1,684,065	9,170,315	1,684,065	9,170,315
Current tax liabilities	7(b)	126,035	129,614	126,035	129,614
Total current liabilities		4,055,155	12,562,649	4,055,155	12,562,649
Total equity and liabilities		38,344,096	39,094,324	39,382,578	39,424,675

These financial statements were approved by the board of directors (BOD) on 24 April, 2015 and signed on behalf of the board of directors by the directors listed below:

_____ Inderpal Bajaj (Chief Executive Officer)

_____ Abhulime Ehiagwina (Chief Financial Officer)

The notes on pages 11 to 40 are an integral part of these financial statements.

Statement of Comprehensive Income

for the year ended 31 December

	Notes	Group		Company	
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Revenue	4	11,462,974	15,359,541	9,350,884	14,743,129
Cost of sales	6(b)	(8,327,448)	(5,970,217)	(5,991,218)	(5,205,488)
Gross profit		<u>3,135,526</u>	<u>9,389,324</u>	<u>3,359,666</u>	<u>9,537,641</u>
Employee benefit expenses	6(c)	(614,756)	(801,490)	(362,706)	(801,490)
Rent and accommodation expenses		(99,463)	(120,968)	(58,683)	(120,968)
Transportation and motor running expenses		(165,672)	(179,847)	(161,448)	(179,847)
Communication expenses		(71,630)	(71,209)	(52,590)	(71,209)
Depreciation		(130,911)	(114,898)	(130,911)	(114,898)
Amortisation	11	(20,480)	(13,876)	(20,480)	(13,876)
Legal and other consultancy fees		(317,827)	(181,384)	(257,865)	(181,384)
Repairs and maintenance		(4,596)	(15,374)	(2,712)	(15,374)
(Impairment loss)/reversal of impairment loss on trade and other receivables		(612,770)	2,501,381	(612,770)	2,501,381
Write-off of trade and other receivables		-	(2,345,460)	-	(2,345,460)
Administrative expenses		(49,837)	(223,831)	(29,404)	(41,798)
Other operating expenses, net		(352,508)	(188,318)	(266,890)	(188,317)
		<u>(2,440,450)</u>	<u>(1,755,274)</u>	<u>(1,956,459)</u>	<u>(1,573,240)</u>
Results from operating activities		<u>695,076</u>	<u>7,634,050</u>	<u>1,403,207</u>	<u>7,964,401</u>
Finance income	5	160,369	166,267	160,369	166,267
Finance costs	5	(14,369,063)	(5,030,589)	(14,369,063)	(5,030,589)
Net finance expense		<u>(14,208,694)</u>	<u>(4,864,322)</u>	<u>(14,208,694)</u>	<u>(4,864,322)</u>
(Loss)/profit before taxation	6(a)	(13,513,618)	2,769,728	(12,805,487)	3,100,079
Taxation	7(a)	(523,300)	(195,058)	(523,300)	(195,058)
(Loss)/profit for the year		<u>(14,036,918)</u>	<u>2,574,670</u>	<u>(13,328,787)</u>	<u>2,905,021</u>
Other comprehensive income for the year, net of taxes		-	-	-	-
Total comprehensive income for the year		<u>(14,036,918)</u>	<u>2,574,670</u>	<u>(13,328,787)</u>	<u>2,905,021</u>
Earnings per share					
Basic earnings per share (kobo)	8	<u>(20,363)</u>	<u>3,848</u>	<u>(19,336)</u>	<u>4,341</u>

The notes on pages 11 to 40 are an integral part of these financial statements.

Statement of Changes in Equity - Group

for the year ended 31 December

<u>Notes</u>	<u>Share capital</u> N'000	<u>Share premium</u> N'000	<u>Contribution for shares</u> N'000	<u>Share based payment reserve</u> N'000	<u>Retained earnings</u> N'000	<u>Total equity</u> N'000
Balance at 1 January 2013	33,456	8,998,951	400,000	-	(16,957,012)	(7,524,605)
Total comprehensive income for the year						
Profit for the year	-	-	-	-	2,574,670	2,574,670
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,574,670	2,574,670
Transactions with the owners, recorded directly in equity						
Contribution received	-	-	7,877,642	-	-	7,877,642
Share based payment charge	-	-	-	408,794	-	408,794
	-	-	7,877,642	408,794	-	8,286,436
Balance at 31 December 2013	33,456	8,998,951	8,277,642	408,794	(14,382,342)	3,336,501
Balance at 1 January 2014	33,456	8,998,951	8,277,642	408,794	(14,382,342)	3,336,501
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(14,036,918)	(14,036,918)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(14,036,918)	(14,036,918)
Transactions with the owners, recorded directly in equity						
Issue of shares	1,930	8,275,712	(8,277,642)	-	-	-
Balance at 31 December 2014	35,386	17,274,663	-	408,794	(28,419,260)	(10,700,417)

The notes on pages 11 to 40 are an integral part of these financial statements.

Statement of Changes in Equity - Company

for the year ended 31 December

	<u>Notes</u>	<u>Share capital</u> N'000	<u>Share premium</u> N'000	<u>Contribution for shares</u> N'000	<u>Share based payment reserve</u> N'000	<u>Retained earnings</u> N'000	<u>Total equity</u> N'000
Balance at 1 January 2013		33,456	8,998,951	400,000	-	(16,957,012)	(7,524,605)
Total comprehensive income for the year							
Profit for the year		-	-	-	-	2,905,021	2,905,021
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	2,905,021	2,905,021
Transactions with the owners, recorded directly in equity							
Share based payment charge		-	-	-	408,794	-	408,794
Contribution received		-	-	7,877,642	-	-	7,877,642
Balance at 31 December 2013		<u>33,456</u>	<u>8,998,951</u>	<u>8,277,642</u>	<u>408,794</u>	<u>(14,051,991)</u>	<u>3,666,852</u>
Balance at 1 January 2014		<u>33,456</u>	<u>8,998,951</u>	<u>8,277,642</u>	<u>408,794</u>	<u>(14,051,991)</u>	<u>3,666,852</u>
Total comprehensive income for the year							
Loss for the year		-	-	-	-	(13,328,787)	(13,328,787)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(13,328,787)	(13,328,787)
Transactions with the owners, recorded directly in equity							
Issue of shares	16(b)	1,930	8,275,712	(8,277,642)	-	-	-
Balance at 31 December 2014		<u>35,386</u>	<u>17,274,663</u>	<u>-</u>	<u>408,794</u>	<u>(27,380,778)</u>	<u>(9,661,935)</u>

The notes on pages 11 to 40 are an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December

	Notes	Group		Company	
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Cash flows from operating activities					
(Loss)/profit for the year		(14,036,918)	2,574,670	(13,328,787)	2,905,021
<i>Adjustments for:</i>					
Taxation	7(a)	523,300	195,058	523,300	195,058
Depreciation and impairment	9	4,104,018	2,504,038	3,552,223	2,277,164
Amortisation	11	20,480	13,876	20,480	13,876
Share based payment expenses		-	408,794	-	408,794
Impairment loss/(reversal of impairment loss) on trade receivables		612,770	(2,501,381)	612,770	(2,501,381)
Write-off of property, plant and equipment	6(a)	141,159	3,638	141,159	3,638
Gain on disposal of property, plant and equipment		(43,935)	(92,853)	(43,935)	(92,853)
Finance income	5	(160,369)	(166,267)	(160,369)	(166,267)
Finance costs	5	14,369,063	5,030,589	14,369,063	5,030,589
		<u>5,529,568</u>	<u>7,970,162</u>	<u>5,685,904</u>	<u>8,073,639</u>
<i>Changes in:</i>					
Inventory		38,482	12,644	38,482	12,644
Trade and other receivables		138,730	(2,029,899)	(17,606)	(2,133,376)
Prepayments		(1,312,338)	(4,386,371)	(1,312,338)	(4,386,371)
Trade and other payables *		<u>(514,400)</u>	<u>1,175,108</u>	<u>(597,922)</u>	<u>1,175,108</u>
Cash generated from operating activities		<u>3,880,042</u>	<u>2,741,644</u>	<u>3,796,520</u>	<u>2,741,644</u>
Value Added Tax (VAT) paid *		(961,472)	(515,235)	(877,950)	(515,235)
Income tax paid	7(b)	<u>(44,929)</u>	<u>(23,027)</u>	<u>(44,929)</u>	<u>(23,027)</u>
Net cash generated from operating activities		<u>2,873,641</u>	<u>2,203,382</u>	<u>2,873,641</u>	<u>2,203,382</u>
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,061,721)	(2,195,932)	(2,061,721)	(2,195,932)
Proceeds from disposal of property, plant and equipment		68,702	140,092	68,702	140,092
Acquisition of intangible assets	11	(26,246)	(5,228)	(26,246)	(5,228)
Finance income received	5	<u>150,587</u>	<u>109,431</u>	<u>150,587</u>	<u>109,431</u>
Net cash used in investing activities		<u>(1,868,678)</u>	<u>(1,951,637)</u>	<u>(1,868,678)</u>	<u>(1,951,637)</u>
Cash flows from financing activities					
Contribution received		-	7,877,642	-	7,877,642
Proceeds from issuance of bonds	17	38,547,369	-	38,547,369	-
Finance costs paid		(31,410)	(26,172)	(31,410)	(26,172)
Repayment of Loans and borrowings - Principal	17	(31,823,457)	(3,150,320)	(31,823,457)	(3,150,320)
Repayment of Loans and borrowings - Interest	17	<u>(6,632,783)</u>	<u>(3,567,003)</u>	<u>(6,632,783)</u>	<u>(3,567,003)</u>
Net cash generated from in financing activities		<u>59,719</u>	<u>1,134,147</u>	<u>59,719</u>	<u>1,134,147</u>
Net increase in cash and cash equivalents		1,064,682	1,385,892	1,064,682	1,385,892
Cash and cash equivalents, beginning of year		2,278,771	892,888	2,278,771	892,888
Effect of exchange rate fluctuations on cash and cash equivalents		16,146	(9)	16,146	(9)
Cash and cash equivalents, end of year		<u>3,359,599</u>	<u>2,278,771</u>	<u>3,359,599</u>	<u>2,278,771</u>

* Changes in trade and other payables have been adjusted for the effect of Value added tax (VAT) paid shown separately on the statement of cashflows

The notes on pages 11 to 40 are an integral part of these financial statements.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2014

	Page		Page
1. Reporting entity	12	15. Cash and cash equivalents	30
2. Basis of preparation	12	16. Share capital	31
3. Significant accounting policies	13	17. Loans and borrowings	31
4. Revenue	23	18. Share based payments	32
5. Finance income and finance costs	23	19. Provisions	32
6. (Loss)/profit before taxation	23	20. Trade and other payables	32
7. Taxation	25	21. Going concern	33
8. Basic earnings per share	26	22. Financial risk management and financial instruments	33
9. Property, plant and equipment	27	23. Operating profit	39
10. Prepayments	29	24. Related parties	39
11. Intangible assets	30	25. Contingent liabilities	40
12. Investment in subsidiary	30	26. Operating leases	40
13. Inventory	30	27. Events after the reporting date	40
14. Trade and other receivables	30		

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2014

1. Reporting entity

Helios Towers Nigeria Limited (the "Company") was incorporated in Nigeria under the Companies and Allied Matters Act in 2002 but did not commence commercial operations until November 2005. The registered address of the Company is 9 Alfred Rewane Road, Ikoyi, Lagos.

The financial statements as at and for the year ended 31 December 2014 comprise the Company and its Subsidiaries (together referred to as the "Group"). The principal activity of the Group continues to be the leasing and managing of telecommunications infrastructure to telecommunications and other service providers.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements of the Group and Company were authorised for issue by the board of directors on 24 April, 2015.

(b) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the Group and Company's functional currency. Except otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand.

(c) Basis of measurement

The financial statements have been prepared under the historical cost basis except for share based payment transactions which are measured at fair value and non-derivative financial instruments which are initially measured at fair value and subsequently measured at amortised cost.

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about assumptions and estimation uncertainties and critical judgements in applying the accounting policies that have an effect on the amount recognised in the financial statements are described in Note 19 - Provisions.

(e) Measurement of fair values

Some of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in Note 22 – Financial instruments: Financial risk management and fair values.

3 Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

A subsidiary is an entity controlled by the group. The financial statements of the subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

(ii) Loss of control

On the loss of control, the Group de-recognises the assets and liabilities of the subsidiaries, any non-controlling interests and the other components of equity related to the subsidiaries. Any surplus or deficit arising on the loss of control is recognised as a profit or loss in the statement of other comprehensive income.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available for sale financial asset depending on the level of influence retained.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the exchange rate at the reporting date.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss except to the extent that they represent an adjustment to finance costs (borrowing cost) on qualifying capital expenditure in accordance with IAS 23 *Borrowing Costs* in which case they are capitalised as part of the cost of the asset.

Non-monetary items that are measured based on historical cost in a foreign currency are not re-

(c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group and Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and Company will obtain ownership by the end of the lease term.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

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

Computer equipment	-	3 years
Towers and shelters	-	2 - 15 years
Air conditioners	-	3 years
Generators	-	3 years
Plant and machinery	-	3 years
Motor vehicles	-	3 years
Office furniture and equipment	-	5 years
Leasehold improvements	-	period of lease/50years, whichever is lower
Leasehold land	-	period of the lease

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. During the year, the estimated useful lives of some item of PPE were re-assessed. The resultant increase in depreciation charge for the current year and estimated increase in the subsequent financial year is as analysed below:

	Group		Company	
	2014	2015	2014	2015
	N'000	N'000	N'000	N'000
Direct costs	882,832	644,778	769,895	531,841

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is ready for use and depreciated accordingly.

(d) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The Group's intangible assets with finite useful lives comprise the following:

(i) Licences

Telecommunication licenses and numbering plans acquired by the Group have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Software

Software that is acquired or developed internally for a tangible asset and which is not integral to the functionality of the related asset, is recognised as an intangible asset separate from the tangible asset and shown at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Intangible assets are amortised on a straight line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Licences have estimated useful lives of 10 years which is determined primarily by reference to the term of the licence which reflects the period over which the Company expects to receive economic benefits from the asset.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

- Computer software has an estimated useful life of three (3) years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Inventory

Inventory is measured at the lower of cost and net realisable value. The cost of inventory is based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Allowance is made for obsolete, slow-moving or defective items where appropriate.

(f) Financial instruments

(i) *Non-derivative financial assets*

The Group/Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group/Company becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Subsequent to initial recognition, non-derivative financial assets are measured as described below:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with banks and investments in short term (three months or less) fixed deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group/Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

(ii) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Group/Company becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

The Group/Company has the following non-derivative financial liabilities: Trade & other payables and Loans and borrowings. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Share capital

The Group/Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in share premium. The use of the share premium account is governed by Section 120(3) of the Companies and Allied Matters Act (CAMA) 1990. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

All ordinary shares rank equally with regard to the Company's residual assets. Holders of ordinary shares are entitled to one vote per share at general meetings of the Company.

When the Group/Company receives capital contributions from shareholders in respect of the Group's/Company's ordinary shares which have not been allotted, such contributions are reported separately within equity if the Group/Company does not have a contractual obligation to deliver cash or another financial asset to the shareholders or any other entity. Such contributions are transferred to share capital on allotment of the shares.

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

(g) Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group/Company on terms that the Group/Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group/Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's/Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Defined contribution plan

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

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for all employees. With effect from July 2014, the Company and its employees contribute a minimum of 10% and 8% (previously 7.5% each) of the employees annual insurable earnings (basic, housing and transport allowances) respectively to the scheme. Employee contributions to the scheme are funded through payroll deductions while the Company's contributions are charged to profit and loss.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group/Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group/Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(iv) Share-based payment transactions

The fair value of equity settled share options and share grants is initially measured at grant date and is charged in profit or loss over the vesting period. For equity settled shares, the credit is included in retained earnings in equity whereas for cash settled share-based payments a liability is recognised in the statement of financial position, measured initially at the fair value of the liability.

Cancellations of share options are treated as an acceleration of the vesting period and any outstanding charge is recognised in operating profit immediately.

(i) Income and deferred tax

- Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

- Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is recognised in profit or loss account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

- Tax exposures

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group/Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(j) Provisions and contingent liabilities

Provisions

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

A provision for restructuring is recognised when the Group/Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Contingent liabilities

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

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(k) Revenue

Revenue represents the value of services rendered to third parties net of Value Added Tax (VAT) and discounts allowed in the ordinary course of business.

Services rendered to third parties comprises lease rental on towers and shelters. Rental revenue is recognised in profit or loss on a straight-line basis over the lease term.

Revenue is recognised when persuasive evidence exists, usually in the form of an executed agreement that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Invoices paid in advance are deferred and treated as liabilities in the year such payments are received. These amounts are amortised and the corresponding amounts are recognised as income in the period to which they relate.

(l) Finance income and finance costs

Finance income comprises interest income on funds invested in bank deposits and is recognised as it accrues in profit or loss, using the effective interest method.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

Finance costs comprise interest expense on financial liabilities measured at amortised cost, bank charges, unwinding of the discount on provisions and finance costs except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis and included as finance income and finance cost.

(m) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group/Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset.

Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's/Company's incremental borrowing rate.

Leased assets

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

Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(n) Basic and diluted earnings per share

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

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(o) Statement of cashflows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows have been eliminated for the purpose of preparing the statement. Finance cost paid is also included in financing activities while finance income received is included in investing activities.

(p) New standards and interpretations not yet adopted

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning on or after 1 January 2015; however, the Group/Company have not applied the following new or amended standards in preparing these financial statements.

– IFRS 9 – *Financial instruments*

On 24 July 2014 the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard may have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the impairment allowance on doubtful receivables recognised by the Company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

– IFRS 15 *Revenue from contracts with customers*

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard may have a significant impact on the Company, which may include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted.

– *Disclosure initiative* (Amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The Group/Company does not plan to adopt these standards early and is currently in the process of performing a more detailed assessment of the impact of these standards. The Group/Company will provide more information in the year ending 31 December 2015 financial statements.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

q) Standards and interpretations effective 31 December 2014

New IFRS standards and amendments to existing standards that became effective for annual periods commencing on or after 1st January 2014 have been applied in preparing the financial statements resulted in additional disclosures but had no significant impact on the measurements of the Company's assets and liabilities.

Offsetting financial assets and financial liabilities (Amendments to IAS 32)

Recoverable amount disclosures for non-financial assets (Amendments to IAS 36)

IFRIC 21 Levies

4. Revenue

The Group and Company's revenue accrues solely from rental income on its telecommunication sites to third parties. All revenue comprise entirely of domestic sales and are net of VAT and trade discounts.

5. Finance income and finance costs

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Finance income:				
Foreign exchange gain on loans and borrowings (Note 17)	-	40,581	-	40,581
Reversal of discount on provisions	173	16,255	173	16,255
Interest income on bank deposits *	<u>160,196</u>	<u>109,431</u>	<u>160,196</u>	<u>109,431</u>
	<u>160,369</u>	<u>166,267</u>	<u>160,369</u>	<u>166,267</u>
Finance costs:				
Foreign exchange loss **	(6,590,832)	-	(6,590,832)	-
Interest expense (Note 17)	(7,746,821)	(5,004,417)	(7,746,821)	(5,004,417)
Bank charges	(31,410)	(26,172)	(31,410)	(26,172)
	<u>(14,369,063)</u>	<u>(5,030,589)</u>	<u>(14,369,063)</u>	<u>(5,030,589)</u>
Net finance costs	<u>(14,208,694)</u>	<u>(4,864,322)</u>	<u>(14,208,694)</u>	<u>(4,864,322)</u>

* Included in the interest income on bank deposit is an amount of ₦9.6 million (2013: Nil) earned during the year but not yet received. The effect of this amount has been adjusted in the finance income received shown under the cashflows from investing activities in the statement of cashflow.

** Included in foreign exchange loss is an amount of ₦114 million (2013: Nil) relating to foreign denominated transactions with creditors during the year. The effect of this amount has been adjusted for in changes in trade and other payables shown in the statement of cashflow.

6. (Loss)/Profit before taxation

(a) (Loss)/Profit before taxation is arrived at after charging/(crediting):

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Audit fees	31,500	30,000	26,250	25,000
Management fees	230,429	306,950	230,429	306,950
Employee benefits	1,132,335	1,269,287	880,285	1,269,287
Directors fees (Note 6(f))	177,112	149,905	177,112	149,905
Depreciation (Note 9)	4,104,018	2,504,038	3,552,223	2,277,164
Amortization (Note 11)	20,480	13,876	20,480	13,876
Write-off of assets	141,159	3,638	141,159	3,638
Net foreign exchange loss/(gain) (Note 5)	<u>6,590,832</u>	<u>(40,581)</u>	<u>6,590,832</u>	<u>(40,581)</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(b) Cost of sales is analysed as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Depreciation	3,973,109	2,389,140	3,421,314	2,162,266
Diesel	2,260,046	1,498,271	1,087,966	1,125,954
Employee benefit (Note c)	517,579	467,797	517,579	467,797
Maintenance	460,622	459,957	271,767	412,811
Security	472,944	659,681	279,037	592,064
Land Lease	482,926	446,948	284,926	401,136
Others	160,222	48,423	128,629	43,460
	<u>8,327,448</u>	<u>5,970,217</u>	<u>5,991,218</u>	<u>5,205,488</u>

(c) Employee benefits expenses comprise:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Salaries, wages and allowances	1,282,581	1,138,372	1,030,531	1,138,372
Share based payments expenses	-	408,794	-	408,794
Pension costs	38,934	31,921	38,934	31,921
Total employee benefits	<u>1,321,515</u>	<u>1,579,087</u>	<u>1,069,465</u>	<u>1,579,087</u>
Salaries, wages and allowances recognised in cost of sales	(517,579)	(467,797)	(517,579)	(467,797)
Salaries, wages and allowances capitalised to property, plant and equipment	(189,180)	(309,800)	(189,180)	(309,800)
	<u>614,756</u>	<u>801,490</u>	<u>362,706</u>	<u>801,490</u>

(d) Employees of the Company, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) during the period, in the following ranges:

	Group		Company	
	2014	2013	2014	2013
	Number	Number	Number	Number
N500,001 - N1,000,000	7	11	7	11
N1,000,001 - N2,000,000	81	82	81	82
N2,000,001 - N3,000,000	28	42	28	42
N3,000,001 - N4,000,000	35	22	35	22
N4,000,001 - N5,000,000	14	19	14	19
N5,000,001 - N6,000,000	12	14	12	14
N6,000,001 - N7,000,000	10	7	10	7
N7,000,001 and Above	27	19	27	19
	<u>214</u>	<u>216</u>	<u>214</u>	<u>216</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(e) The average number of full time persons employed by the Company during the year was as follows:

	Group		Company	
	2014	2013	2014	2013
	Number	Number	Number	Number
Finance, human resources and administration	31	30	31	30
Commercial and regulatory	8	7	8	7
Operations, customer services	141	147	141	147
Information technology	4	4	4	4
Sales and marketing	10	11	10	11
Legal	5	5	5	5
Quality control and business processes	5	2	5	2
Internal audit	1	1	1	1
Procurement and logistics	9	9	9	9
	<u>214</u>	<u>216</u>	<u>214</u>	<u>216</u>

(f) Directors' remuneration:

Remuneration paid to directors of the Company (excluding pensions) was as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Fees and remuneration	177,112	149,905	177,112	149,905
Other emoluments	39,742	7,673	39,742	7,673
	<u>216,854</u>	<u>157,578</u>	<u>216,854</u>	<u>157,578</u>

Directors remuneration disclosed includes:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Chairman	4,916	4,030	4,916	4,030
Highest paid director	103,731	103,261	103,731	103,261

The remuneration of all other directors fell in the ranges below:

	Group		Company	
	2014	2013	2014	2013
	Number	Number	Number	Number
N500,001 - N1,000,000	3	1	3	1
N1,000,001 - N2,000,000	5	7	5	7
N2,000,001 - N10,000,000	1	-	1	-
N10,000,001 and above	1	-	1	-
	<u>10</u>	<u>8</u>	<u>10</u>	<u>8</u>

7. Taxation

(a) The tax charge for the year comprises:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Company income tax	-	65,386	-	65,386
Tertiary education tax	-	129,672	-	129,672
Prior period underprovision	256,219	-	256,219	-
Charge for the year	256,219	195,058	256,219	195,058
Write off of WHT receivables	267,081	-	267,081	-
	<u>523,300</u>	<u>195,058</u>	<u>523,300</u>	<u>195,058</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(b) The movement in current tax liabilities during the year was as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Balance, beginning of year	195,000	22,969	195,000	22,969
Charge for the year (Note(a))	256,219	195,058	256,219	195,058
Payments made during the year	(44,929)	(23,027)	(44,929)	(23,027)
Withholding tax credit notes utilised	(241,040)	-	(241,040)	-
Balance, end of year	165,250	195,000	165,250	195,000
Set-off against current tax assets	(39,215)	(65,386)	(39,215)	(65,386)
Current tax liabilities, net	<u>126,035</u>	<u>129,614</u>	<u>126,035</u>	<u>129,614</u>

(c) Reconciliation of effective tax rate:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
(Loss)/profit for the year	(14,036,918)	2,574,670	(13,328,787)	2,905,021
Taxation	523,300	195,058	523,300	195,058
(Loss)/profit before tax	<u>(13,513,618)</u>	<u>2,769,728</u>	<u>(12,805,487)</u>	<u>3,100,079</u>
Tax using the Company's tax rate (30%)	(4,054,085)	830,918	(3,841,646)	930,024
Changes in prior period estimates	256,219	-	256,219	-
Tertiary education tax	-	129,672	-	129,672
Write off of withholding taxes	267,081	-	267,081	-
Non-deductible expenses	25,905	755,374	25,905	687,312
Tax losses and other temporary differences for which no deferred tax has been recognised	4,028,180	(1,520,906)	3,815,741	(1,551,950)
	<u>523,300</u>	<u>195,058</u>	<u>523,300</u>	<u>195,058</u>

(d) The Group and Company have unrecognised deferred tax assets amounting to ₦ 8,333 million and ₦ 8,022 million respectively (2013: ₦4,304 million and ₦4,206 million for the Group and Company respectively) arising from unutilised tax losses, unutilised capital allowances and unrealised exchange differences. No deferred tax asset has been recognised due to uncertainties relating to the timing and amount of future taxable profits.

8. Basic earnings per share

Basic earnings per share for the Group of 20,363 and for the Company of 19,336 at 31 December 2014 (2013: earnings per share of 3,848 and 4,341 for Group and Company respectively) is based on the loss for the year of ₦14.04 billion and ₦13.33 billion for the Group and Company respectively (2013: profit for the year of ₦ 2.5 billion and ₦2.91 billion for the Group and Company respectively) and on 68,932,506 ordinary shares of 50k each, being the weighted average number of ordinary shares in issue during the year (2013: 66,912,930) which is calculated as follows;

	Group		Company	
	2014	2013	2014	2013
Weighted average number of ordinary shares				
Balance, beginning of year	66,912,930	66,912,930	66,912,930	66,912,930
Effect of ordinary shares issued in the year	2,019,576	-	2,019,576	-
Weighted average number of ordinary shares during the year	<u>68,932,506</u>	<u>66,912,930</u>	<u>68,932,506</u>	<u>66,912,930</u>

There were no potential dilutive ordinary shares during the year (2013: Nil).

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

9 Property, plant and equipment

(a) Group

The movement on these accounts during the year was as follows:

	Computer equipment N'000	Towers & shelters N'000	Site air conditioners N'000	Site generators N'000	Plant and machinery N'000	Motor vehicles N'000	Office furniture & equipment N'000	Leasehold improvements N'000	Land N'000	Capital work-in- progress N'000	Total N'000
Cost											
At 1 January 2013	147,955	25,204,394	196,538	3,592,062	25,900	314,428	155,518	60,605	40,727	1,938,656	31,676,783
Additions	58,403	6,582,861	-	-	-	123,924	32,856	89,736	-	2,136,309	9,024,089
Reclassifications	-	1,533,350	15,856	1,256,770	-	-	-	-	-	(2,805,976)	-
Disposals	(8,892)	(79,000)	(3,519)	(1,075,259)	-	(62,715)	(41,368)	-	-	-	(1,270,753)
Write-offs	-	-	-	-	-	-	-	(60,605)	-	-	(60,605)
At 31 December 2013	<u>197,466</u>	<u>33,241,605</u>	<u>208,875</u>	<u>3,773,573</u>	<u>25,900</u>	<u>375,637</u>	<u>147,006</u>	<u>89,736</u>	<u>40,727</u>	<u>1,268,989</u>	<u>39,369,514</u>
At 1 January 2014	197,466	33,241,605	208,875	3,773,573	25,900	375,637	147,006	89,736	40,727	1,268,989	39,369,514
Additions	25,405	-	-	-	-	55,522	10,860	10,500	18,258	2,278,708	2,399,253
Reclassifications	-	2,444,204	27,810	732,099	-	-	-	-	-	(3,204,113)	-
Disposals	-	(105,453)	(6,729)	(365,983)	(9,720)	(77,376)	(2,052)	-	-	-	(567,313)
Write-offs	-	-	-	-	-	-	-	-	-	(141,159)	(141,159)
At 31 December 2014	<u>222,871</u>	<u>35,580,356</u>	<u>229,956</u>	<u>4,139,689</u>	<u>16,180</u>	<u>353,783</u>	<u>155,814</u>	<u>100,236</u>	<u>58,985</u>	<u>202,425</u>	<u>41,060,295</u>
Accumulated depreciation and impairment											
At 1 January 2013	132,403	6,203,576	183,400	3,002,980	21,516	238,971	108,977	59,710	1,894	-	9,953,427
Charge for the year	15,880	1,883,469	12,055	493,616	3,073	65,665	24,194	6,086	-	-	2,504,038
Disposals	(8,877)	(55,790)	(3,269)	(1,056,299)	-	(62,452)	(36,827)	-	-	-	(1,223,514)
Write-offs	-	-	-	-	-	-	-	(56,967)	-	-	(56,967)
At 31 December 2013	<u>139,406</u>	<u>8,031,255</u>	<u>192,186</u>	<u>2,440,297</u>	<u>24,589</u>	<u>242,184</u>	<u>96,344</u>	<u>8,829</u>	<u>1,894</u>	<u>-</u>	<u>11,176,984</u>
At 1 January 2014	139,406	8,031,255	192,186	2,440,297	24,589	242,184	96,344	8,829	1,894	-	11,176,984
Charge for the year	20,698	3,143,635	14,176	815,296	1,315	74,543	20,099	14,256	-	-	4,104,018
Disposals	(9)	(90,609)	(6,589)	(360,407)	(9,724)	(73,156)	(2,052)	-	-	-	(542,546)
At 31 December 2014	<u>160,095</u>	<u>11,084,281</u>	<u>199,773</u>	<u>2,895,186</u>	<u>16,180</u>	<u>243,571</u>	<u>114,391</u>	<u>23,085</u>	<u>1,894</u>	<u>-</u>	<u>14,738,456</u>
Carrying amounts											
At 1 January 2013	<u>15,552</u>	<u>19,000,818</u>	<u>13,138</u>	<u>589,082</u>	<u>4,384</u>	<u>75,457</u>	<u>46,541</u>	<u>895</u>	<u>38,833</u>	<u>1,938,656</u>	<u>21,723,356</u>
At 31 December 2013	<u>58,060</u>	<u>25,210,350</u>	<u>16,689</u>	<u>1,333,276</u>	<u>1,311</u>	<u>133,453</u>	<u>50,662</u>	<u>80,907</u>	<u>38,833</u>	<u>1,268,989</u>	<u>28,192,530</u>
At 31 December 2014	<u>62,776</u>	<u>24,496,075</u>	<u>30,183</u>	<u>1,244,503</u>	<u>-</u>	<u>110,212</u>	<u>41,423</u>	<u>77,151</u>	<u>57,091</u>	<u>202,425</u>	<u>26,321,839</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(b) Company

The movement on these accounts during the year was as follows:

	Computer Equipment	Towers & Shelters	Site Air Conditioners	Site Generators	Plant and Machinery	Motor Vehicles	Office furniture & Equipment	Leasehold Improvements	Land	Capital Work-in- Progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost											
At 1 January 2013	147,955	25,204,394	196,538	3,592,062	25,900	314,428	155,518	60,605	40,727	1,938,656	31,676,783
Additions	58,403	-	-	-	-	123,924	32,856	89,736	-	2,136,309	2,441,228
Reclassifications	-	1,533,350	15,856	1,256,770	-	-	-	-	-	(2,805,976)	-
Disposals	(8,892)	(79,000)	(3,519)	(1,075,259)	-	(62,715)	(41,368)	-	-	-	(1,270,753)
Write-offs	-	-	-	-	-	-	-	(60,605)	-	-	(60,605)
At 31 December 2013	<u>197,466</u>	<u>26,658,744</u>	<u>208,875</u>	<u>3,773,573</u>	<u>25,900</u>	<u>375,637</u>	<u>147,006</u>	<u>89,736</u>	<u>40,727</u>	<u>1,268,989</u>	<u>32,786,653</u>
At 1 January 2014	197,466	26,658,744	208,875	3,773,573	25,900	375,637	147,006	89,736	40,727	1,268,989	32,786,653
Additions	25,405	-	-	-	-	55,522	10,860	10,500	18,258	2,278,708	2,399,253
Transfers	-	2,444,204	27,810	732,099	-	-	-	-	-	(3,204,113)	-
Disposals	-	(105,453)	(6,729)	(365,983)	(9,720)	(77,376)	(2,052)	-	-	-	(567,313)
Write-offs	-	-	-	-	-	-	-	-	-	(141,159)	(141,159)
At 31 December 2014	<u>222,871</u>	<u>28,997,495</u>	<u>229,956</u>	<u>4,139,689</u>	<u>16,180</u>	<u>353,783</u>	<u>155,814</u>	<u>100,236</u>	<u>58,985</u>	<u>202,425</u>	<u>34,477,434</u>
Accumulated depreciation and impairment											
At 1 January 2013	132,403	6,203,576	183,400	3,002,980	21,516	238,971	108,977	59,710	1,894	-	9,953,427
Charge for the year	15,880	1,656,595	12,055	493,616	3,073	65,665	24,194	6,086	-	-	2,277,164
Disposals	(8,877)	(55,790)	(3,269)	(1,056,299)	-	(62,452)	(36,827)	-	-	-	(1,223,514)
Write-offs	-	-	-	-	-	-	-	(56,967)	-	-	(56,967)
At 31 December 2013	<u>139,406</u>	<u>7,804,381</u>	<u>192,186</u>	<u>2,440,297</u>	<u>24,589</u>	<u>242,184</u>	<u>96,344</u>	<u>8,829</u>	<u>1,894</u>	<u>-</u>	<u>10,950,110</u>
At 1 January 2014	139,406	7,804,381	192,186	2,440,297	24,589	242,184	96,344	8,829	1,894	-	10,950,110
Charge for the year	20,698	2,591,840	14,176	815,296	1,315	74,543	20,099	14,256	-	-	3,552,223
Disposals	(9)	(90,609)	(6,589)	(360,407)	(9,724)	(73,156)	(2,052)	-	-	-	(542,546)
At 31 December 2014	<u>160,095</u>	<u>10,305,612</u>	<u>199,773</u>	<u>2,895,186</u>	<u>16,180</u>	<u>243,571</u>	<u>114,391</u>	<u>23,085</u>	<u>1,894</u>	<u>-</u>	<u>13,959,787</u>
Carrying amount											
At 1 January 2013	<u>15,552</u>	<u>19,000,818</u>	<u>13,138</u>	<u>589,082</u>	<u>4,384</u>	<u>75,457</u>	<u>46,541</u>	<u>895</u>	<u>38,833</u>	<u>1,938,656</u>	<u>21,723,356</u>
At 31 December 2013	<u>58,060</u>	<u>18,854,363</u>	<u>16,689</u>	<u>1,333,276</u>	<u>1,311</u>	<u>133,453</u>	<u>50,662</u>	<u>80,907</u>	<u>38,833</u>	<u>1,268,989</u>	<u>21,836,543</u>
At 31 December 2014	<u>62,776</u>	<u>18,691,883</u>	<u>30,183</u>	<u>1,244,503</u>	<u>-</u>	<u>110,212</u>	<u>41,423</u>	<u>77,151</u>	<u>57,091</u>	<u>202,425</u>	<u>20,517,647</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

- (c) Depreciation expense amounting to ₦3,973 million and ₦3,421 million is recorded in cost of sales by the Group and Company respectively (2013: ₦2,389 million and ₦2,162 million for the Group and Company respectively). The Group and Company had no capital commitments as at the reporting date (2013: Nil).
- (d) Included in additions to property, plant and equipment are assets purchased by the Group and Company during the year amounting to ₦343 million (2013: ₦284 million) which have not been paid for.
- (e) Included as part of Property, Plant and Equipment is Land held under finance lease arrangements for a minimum lease term of 99 years. The lease amounts were fully paid at the inception of the lease. The classification of the lease of the land as a finance lease is on the basis that the lease arrangement transfers substantially all the risks and rewards incidental to ownership of the land to the Group and Company.
- (f) As at 31 December 2014, ₦ 343 million of property, plant and equipment acquired during the year had not been paid for (2013: ₦285 million). The acquisition of property plant and equipment on the statement of cashflows have been adjusted for this amount

10. Prepayments

- (a) Non-current prepayments comprise:

	Group		Company	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
Prepaid income tax (Note b)	4,503,785	3,803,950	4,503,785	3,803,950
Prepaid rent	1,183,332	1,249,386	1,183,332	1,249,386
	<u>5,687,117</u>	<u>5,053,336</u>	<u>5,687,117</u>	<u>5,053,336</u>

- (b) The movement of prepaid income taxes is as follows:

	Group		Company	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
Balance, beginning of year	3,803,950	3,035,688	3,803,950	3,035,688
Additional withholding tax credit notes	1,247,171	833,648	1,247,171	833,648
Write off withholding tax receivables (Note 7a)	(267,081)	-	(267,081)	-
Withholding tax credit notes utilised (Note 7b)	(241,040)	-	(241,040)	-
Set-off against current tax assets (Note 7b)	(39,215)	(65,386)	(39,215)	(65,386)
Balance, end of year (Note a)	<u>4,503,785</u>	<u>3,803,950</u>	<u>4,503,785</u>	<u>3,803,950</u>

- (c) Current prepayments comprise:

	Group		Company	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
Prepaid rent	696,396	533,167	696,396	533,167
Other prepaid expenses	71,399	38,021	71,399	38,021
	<u>767,795</u>	<u>571,188</u>	<u>767,795</u>	<u>571,188</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

11. Intangible assets

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Cost				
At 1 January	83,413	78,185	83,413	78,185
Additions	26,246	5,228	26,246	5,228
At 31 December	<u>109,659</u>	<u>83,413</u>	<u>109,659</u>	<u>83,413</u>
Amortisation				
At 1 January	72,418	58,542	72,418	58,542
Charge for the year	20,480	13,876	20,480	13,876
At 31 December	<u>92,898</u>	<u>72,418</u>	<u>92,898</u>	<u>72,418</u>
Carrying amount	<u>16,761</u>	<u>10,995</u>	<u>16,761</u>	<u>10,995</u>

The amortisation charge of all intangible assets is shown as a line item in the statement of comprehensive income.

12. Investment in subsidiary

Investment in subsidiary represents the cost of the Company's investment in 999,999 and 1 ordinary shares of Tower Infrastructure Company Limited and Helios Towers Finance Netherlands B.V respectively.

13. Inventory

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Diesel	123,969	161,679	123,969	161,679
Spare parts	97,175	97,947	97,175	97,947
	<u>221,144</u>	<u>259,626</u>	<u>221,144</u>	<u>259,626</u>

The value of inventory recognised in cost of sales by the Group and Company during the year amounted to ₦2,260 million (2013: ₦2,408 million). The Group and Company did not write down any inventory during the year (2013: Nil).

14. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Trade receivables	1,483,902	1,544,954	8,325,576	8,230,292
Other receivables	485,939	1,182,924	485,939	1,182,924
	<u>1,969,841</u>	<u>2,727,878</u>	<u>8,811,515</u>	<u>9,413,216</u>

The Group and Company's exposure to credit risk and currency risks related to trade and other receivables are disclosed in Note 22.

15. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Short-term deposits	2,615,944	688,659	2,615,944	688,659
Bank and cash balances	743,655	1,590,112	743,655	1,590,112
	<u>3,359,599</u>	<u>2,278,771</u>	<u>3,359,599</u>	<u>2,278,771</u>

The Group and Company's exposure to credit risk, interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 22.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

16. Share capital

(a) Authorised ordinary shares of 50k each

<i>in thousands of shares</i>	Group		Company	
	2014	2013	2014	2013
Balance, beginning of the year	112,000	112,000	112,000	112,000
Balance, end of the year	112,000	112,000	112,000	112,000

(b) Issued and fully paid-up ordinary shares of 50k each

<i>in thousands of shares</i>	Group		Company	
	2014	2013	2014	2013
At 1 January	66,913	66,913	66,913	66,913
Issued during the year	3,859	-	3,859	-
At 31 December	70,772	66,913	70,772	66,913

(c) Contribution for shares

This amount represents contribution made by existing shareholders of the Company for shares issued and allotted to them. At 31 December 2013, the Company was yet to complete the regulatory filings with the Corporate Affairs Commission, hence, the contribution for shares was not converted to share capital. This was completed in current year.

17. Loans and borrowings

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Balance, beginning of year	32,342,700	34,096,187	32,342,700	34,096,187
Interest expense (Note 5)	7,746,821	5,004,417	7,746,821	5,004,417
Euro bond issued during the year, net of transaction cost	38,547,369	-	38,547,369	-
Repayments during the year: Principal	(31,823,457)	(3,150,320)	(31,823,457)	(3,150,320)
Repayments during the year: Interest	(6,632,783)	(3,567,003)	(6,632,783)	(3,567,003)
Effect of changes in exchange rate	6,475,855	(40,581)	6,475,855	(40,581)
Balance, end of year	46,656,505	32,342,700	46,656,505	32,342,700
Less: current portion	(1,684,065)	(9,170,315)	(1,684,065)	(9,170,315)
	44,972,440	23,172,385	44,972,440	23,172,385

On 15 July 2014, the Company (the Issuer) issued a US\$250 million Euro-bond through its wholly owned subsidiary, Helios Towers Finance Netherlands B.V (the purchaser), which was fully subscribed. The bonds have a tenor of 5 years from the issue date and its principal is repayable by the Company in full on the maturity date. Interest is payable to Helios Tower Finance Netherland BV semi annually at an annual interest rate of 8.375% plus a margin of 0.14%

Bonds issued by the Company were sold to external investors by Helios Towers Finance Netherland B.V - its subsidiary. Interest payable to investors are made semi annually at an annual interest rate of 8.375%. The principal is repayable to investors in full on the maturity date (5 years).

The proceeds of the bonds were used to fully settle the Group and Company's indebtedness to the International Finance Corporation (IFC).

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

18. Share based payments

Helios Towers Mauritius Holdings Limited (HTMHL) has a share option plan for key management staff of Helios Towers Nigeria Limited (HTNL). Awards over shares of HTMHL are granted under this plan, normally in form of conditional rights to receive shares. No payment is made for awards. Awards vest on fulfillment of performance conditions specified for HTNL.

19. Provisions

The Company's provision represents asset retirement obligations. In the course of the Company's activities, a number of sites and other assets are utilised which are expected to have costs associated with exiting and ceasing their use. The associated cash outflows are generally expected to occur at the dates of exiting of the assets to which they relate, which are long term in nature. The estimated costs are included in the costs of the relevant asset. The movement on this account is as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Balance, beginning of year	22,789	77,924	22,789	77,924
Provisions reversed during the year	(5,698)	(38,880)	(5,698)	(38,880)
Reversal of discount	(173)	(16,255)	(173)	(16,255)
Balance, end of year	16,918	22,789	16,918	22,789

Asset retirement obligations are based on the directors' best estimate (which is based on annual probability analysis) of the cost of decommissioning and dismantling a site at the time of installation. The principal assumptions used are as follows:

	Group		Company	
	2014	2013	2014	2013
Discount Rate	15%	13%	15%	13%
Average probability	5%	5%	5%	5%
Inflation	7%	8%	7%	8%

20. Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Trade creditors	714,139	799,842	714,139	799,842
Amounts due to related parties	99,770	824,398	99,770	824,398
Other creditors	549,438	906,942	549,438	906,942
Accrued liabilities	871,704	710,144	871,704	710,144
Advances from customers	-	10,692	-	10,692
Pension payable (Note (a))	10,004	10,702	10,004	10,702
	2,245,055	3,262,720	2,245,055	3,262,720

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(a) The movement on pension payable during the year was as follows:

	Group		Company	
	2014	2013	2014	2013
	<u>₦'000</u>	<u>₦'000</u>	<u>₦'000</u>	<u>₦'000</u>
Balance, beginning of year	10,702	18,249	10,702	18,249
Payroll deductions (Employee Contributions)	34,678	31,921	34,678	31,921
Employer Contributions (Note 6(b))	38,934	31,921	38,934	31,921
Payments during the year	<u>(74,310)</u>	<u>(71,389)</u>	<u>(74,310)</u>	<u>(71,389)</u>
Balance, end of year	<u><u>10,004</u></u>	<u><u>10,702</u></u>	<u><u>10,004</u></u>	<u><u>10,702</u></u>

The Group and Company's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 22.

21. Going concern

As at 31 December 2014, the Group and Company incurred a loss of ₦14.03 billion and ₦13.33 billion respectively. At that date, the Group and Company's total liabilities exceeded its total assets by ₦10.7 billion and ₦9.66 billion respectively. This was majorly due to the increased finance cost incurred on the loan obtained from its lenders - International Finance Corporation as well as the Bond issued to third parties.

The directors have estimated income and cash flow projections based on assumptions that represent their best estimates of economic conditions in the short term. They are of the view that the Company through its superior service quality and increasing brand presence together with its cost optimization initiatives can achieve an increase in the number of tenants and revenue growth. These will provide a basis to reduce the accumulated losses of the Company in the future.

The directors are therefore of the view that the Company will be able to optimize its current operations and continue to realize its assets and discharge its liabilities in the normal course of business within the next 12 months and there are no events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

22. Financial Instruments - Financial Risk Management and Fair Values

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework, including implementation and monitoring of these policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Trade and other receivables (Note 14)	1,969,841	2,727,878	8,811,515	9,413,216
Cash and cash equivalents (Note 15)	3,359,599	2,278,771	3,359,599	2,278,771
	<u>5,329,440</u>	<u>5,006,649</u>	<u>12,171,114</u>	<u>11,691,987</u>

Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

In monitoring customers credit risk, customers are classified according to their credit characteristics, including whether they are an individual, corporate and wholesale, geographic location, maturity and existence of previous difficulties.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance are a specific loss component that relates to individually significant exposures. The collective loss allowance is determined based on historical date of payment statistics for similar financial assets.

The aging of trade receivables at the reporting date was:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Not past due	25,292	89,953	25,292	84,770
Past due 31-60 days	115,737	1,108,887	115,737	7,797,886
Past due 60-180 days	1,262,593	696,792	1,262,648	698,314
More than 180 days	596,882	410,585	7,438,501	410,585
	<u>2,000,504</u>	<u>2,306,217</u>	<u>8,842,178</u>	<u>8,991,555</u>
Impairment	(516,602)	(761,263)	(516,602)	(761,263)
	<u>1,483,902</u>	<u>1,544,954</u>	<u>8,325,576</u>	<u>8,230,292</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Balance, beginning of year	761,263	2,283,635	761,263	2,283,635
Impairment losses recognised *	33,071	-	33,071	-
Impairment losses written back	(277,732)	(1,522,372)	(277,732)	(1,522,372)
Balance, end of year	<u>516,602</u>	<u>761,263</u>	<u>516,602</u>	<u>761,263</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

The aging of other receivables at the reporting date was:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Not past due	61,659	341,111	61,659	341,111
Past due 31-60 days	168,946	340,364	168,946	340,364
Past due 60-180 days	128,717	220,579	128,717	220,579
More than 180 days	720,401	316,036	720,401	316,036
	<u>1,079,723</u>	<u>1,218,090</u>	<u>1,079,723</u>	<u>1,218,090</u>
Impairment	(593,784)	(35,166)	(593,784)	(35,166)
	<u><u>485,939</u></u>	<u><u>1,182,924</u></u>	<u><u>485,939</u></u>	<u><u>1,182,924</u></u>

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Balance, beginning of year	35,166	1,014,175	35,166	1,014,175
Impairment losses recognised *	579,699	-	579,699	-
Impairment losses written back	(21,081)	(979,009)	(21,081)	(979,009)
Balance, end of year	<u><u>593,784</u></u>	<u><u>35,166</u></u>	<u><u>593,784</u></u>	<u><u>35,166</u></u>

The impairment on trade and other receivables were in respect of trade and other receivables for which the Group and Company have determined that there are objective indicators of impairment. Impairment losses have been recognised based on the difference between the carrying amounts and the present value of the estimated future cash flows on these receivables. Impairment loss on trade and other receivables is recognised in profit or loss.

* Changes in trade and other receivables on the statement of cashflows have been adjusted for the effect of impairment losses recognized during the year - N612.77 million. This amount is shown separately on the statement of cashflows.

Cash and cash equivalents:

The Group and Company held cash and cash equivalents of N3,360 million (2013: N2,279 million), which represents the maximum credit exposure on these assets. The cash and cash equivalents are held with bank counterparties, which are highly rated.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company bills customers for services in advance. This assists in monitoring cash flow requirements and optimising its cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group and Company	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	Over 2 years
2014	N'000	N'000	N'000	N'000	N'000	N'000
Loans and borrowings (Note 17)	46,656,505	48,450,334	1,684,065	-	-	46,766,269
Trade and other payables (Note 20)	2,245,055	2,245,055	1,595,847	649,208	-	-
	<u>48,901,560</u>	<u>50,695,389</u>	<u>3,279,912</u>	<u>649,208</u>	<u>-</u>	<u>46,766,269</u>

Group and Company	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	Over 2 years
2013	N'000	N'000	N'000	N'000	N'000	N'000
Loans and borrowings (Note 17)	32,342,700	33,311,931	3,102,624	6,205,246	8,459,171	15,544,890
Trade and other payables (Note 20)	3,262,720	3,262,720	1,520,688	1,742,032	-	-
	<u>35,605,420</u>	<u>36,574,651</u>	<u>4,623,312</u>	<u>7,947,278</u>	<u>8,459,171</u>	<u>15,544,890</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. There has been no material change to the Company's exposure to market risks or the manner in which it manages and measures the risk during the year.

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency, the Naira. The currency giving rise to this risk is the US Dollar (US\$) which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

The summary of quantitative data about the Company's exposure to currency risk is as follows:

	Group		Company	
	2014	2013	2014	2013
	US\$	US\$	US\$	US\$
Cash and cash equivalents *	973,391	516,669	973,391	516,669
Trade and other receivables	1,584,064	4,329,654	1,584,064	4,329,654
Loans and borrowings	(250,236,017)	(173,489,796)	(250,236,017)	(173,489,796)
Net exposure	<u>(247,678,562)</u>	<u>(168,643,473)</u>	<u>(247,678,562)</u>	<u>(168,643,473)</u>

* The effect of exchange rate fluctuations on cash and cash equivalents amounted to ₦16.15 million at the end of the year. This amount is shown separately, and adjusted for under changes in trade and other receivables in the statement of cashflow.

The following exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2014	2013	2014	2013
US\$ 1	156.45	155.22	186.45	155.2

Sensitivity analysis

A weakening of the naira, as indicated below, against the US\$ as at 31 December 2014 would have decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group and Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2013, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below.

	Profit or (loss) ₦'000
Group and Company	
31 December 2014	
US\$ (10% weakening)	(4,617,967)
31 December 2013	
US\$ (10% weakening)	(2,617,347)

A strengthening of the Naira against the US\$ would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

At the reporting date the interest rate profile of the Group and Company's interest-bearing financial instruments was:

	Group		Company	
	2014	2013	2014	2013
	₦'000	₦'000	₦'000	₦'000
Fixed rate instruments:				
Financial assets (Note 15)	<u>2,615,944</u>	<u>688,659</u>	<u>2,615,944</u>	<u>688,659</u>
Financial liabilities (Note 17)	<u>46,656,505</u>	<u>32,342,700</u>	<u>46,656,505</u>	<u>32,342,700</u>

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group and Company defines as share capital plus share premium, capital contribution and retained earnings.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Total liabilities	49,044,513	35,757,823	49,044,513	35,757,823
Less: cash and cash equivalents	<u>3,359,599</u>	<u>2,278,771</u>	<u>3,359,599</u>	<u>2,278,771</u>
Net debt	<u>45,684,914</u>	<u>33,479,052</u>	<u>45,684,914</u>	<u>33,479,052</u>
Total equity	<u>(10,700,417)</u>	<u>3,336,501</u>	<u>(9,661,935)</u>	<u>3,666,852</u>
Debt to adjusted capital ratio:	(4.27)	10.03	(4.73)	9.13

Accounting classifications and fair values

Fair values versus carrying amounts

The following table shows the carrying amounts and fair values of financial liabilities which have been determined using level 2 hierarchy with no significant unobservable inputs. It does not include fair value information for financial assets and financial liabilities that are current and not measured at fair value where the carrying amounts are a reasonable approximation of fair value due to the immaterial impact of discounting.

Group and Company	2014		2013	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	N'000	N'000	N'000	N'000
Liabilities carried at amortised cost:				
Loans and borrowings	<u>46,656,505</u>	<u>44,305,841</u>	<u>32,342,700</u>	<u>33,311,931</u>

For the Company's financial instruments that are short-term (trade and other receivables, cash & cash equivalents and trade & other payables), management believes that their fair values are not expected to be materially different from their carrying values.

The basis for determining fair values is disclosed in Note 3(f).

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

23. Operating profit

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Revenue	11,462,974	15,359,541	9,350,884	14,743,129
Cost of sales (excluding depreciation)	(4,354,340)	(3,581,077)	(2,569,905)	(3,043,222)
Operating expenses (excluding depreciation, amortization and write-off of asset)	(2,147,901)	(1,622,862)	(1,663,910)	(1,440,828)
Earnings before interest, taxation, depreciation, amortisation and wite-off of asset	4,960,733	10,155,602	5,117,069	10,259,079
Depreciation (Note 6a)	(4,104,018)	(2,504,038)	(3,552,223)	(2,277,164)
Amortisation (Note 6a)	(20,480)	(13,876)	(20,480)	(13,876)
Write off of asset (Note 6a)	(141,159)	(3,638)	(141,159)	(3,638)
	<u>695,076</u>	<u>7,634,050</u>	<u>1,403,207</u>	<u>7,964,401</u>

Operating profit is determined after considering impairment of CAPCOM debts - N579 million (2013: Nil)

24. Related parties

Transactions with related parties

(a) Key management personnel compensation

Aggregate compensation for key management comprised:

	Group		Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Short-term employee benefits	200,865	231,292	200,865	231,292
Share based payment transactions	-	206,458	-	206,458
	<u>200,865</u>	<u>437,750</u>	<u>200,865</u>	<u>437,750</u>

Compensation paid to the Company's Directors is disclosed in Note 6(f).

Notes to the Consolidated and Separate Financial Statements (cont'd)

for the year ended 31 December 2014

(b) The Company entered into the following transactions with the related parties listed below:

Related party	Nature of transaction	Transaction value				Amount due from/(to) related parties			
		Group		Company		Group		Company	
		2014	2013	2014	2013	2014	2013	2014	2013
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Tower Infrastructure Company Ltd.	Revenue, shared costs	-	-	157,335	6,685,339	-	-	6,842,674	6,685,339
Helios Investors Genpar	Management and technical services	(230,429)	(290,202)	(230,429)	(290,202)	(111,943)	(824,398)	(111,943)	(824,398)
Helios Towers Finance Netherlands B.V	Loans	-	-	46,656,505	-	-	-	46,656,505	-

The amounts due from/(to) related parties are included in trade and other receivables (Note 14), Loans and borrowings (Note 17), and trade and other payables (Note 20) respectively.

25. Contingent liabilities

There are law suits pending against the Company in various courts of law. The law suits are being handled by external legal counsel. The Contingent liabilities in respect of pending litigation and claims amounted to ₦97.5 million (2013: ₦507 million). Based on legal advice received, the directors are of the view that the Company's liability is not likely to be significant, thus no provisions have been made in these financial statements.

26. Operating leases

The Group leases land for its base transmission stations as well as some offices and residences under non-cancellable operating leases. Lease rentals are paid upfront and included in prepayments and amortised to the profit or loss over the life of the lease. During the year, an amount of ₦483 million was recognised as an expense in profit or loss by the Group and Company in respect of operating leases (2013: ₦156 million).

27. Events after the reporting date

There are no significant post balance sheet events which could have had a material effect on the state of affairs of the Group and Company as at 31 December 2014 that have not adequately been provided for or disclosed in the financial statements.

Other Financial Information

Value Added Statement - Group

for the year ended 31 December

	<u>2014</u>		<u>2013</u>	
	N'000	%	N'000	%
Revenue	11,462,974		15,359,541	
Bought-in materials and services				
- Local	(5,511,065)		(3,938,290)	
- Imported	-		-	
	<u>5,951,909</u>		<u>11,421,251</u>	
Finance income	160,369		166,267	
Valued added	<u><u>6,112,278</u></u>	<u>100</u>	<u><u>11,587,518</u></u>	<u>100</u>
Distribution of value added				
To Government:				
Taxation	523,300	9	195,058	2
To Employees:				
Employee benefit expenses	1,132,335	19	1,269,287	11
To Providers of Finance:				
Finance expense	14,369,063	235	5,030,589	43
Retained in the business:				
For replacement of PPE	4,104,018	67	2,504,038	22
For replacement of intangible assets	20,480	-	13,876	-
To (deplete)/augment reserve	(14,036,918)	(229)	2,574,670	22
	<u><u>6,112,278</u></u>	<u>101</u>	<u><u>11,587,518</u></u>	<u>100</u>

Value added is the wealth created by the efforts of Company and its employees and its allocation between government, employees, providers of capital and re-investment for the creation of future wealth.

Value Added Statement - Company

for the year ended 31 December

	<u>2014</u>		<u>2013</u>	
	N'000	%	N'000	%
Revenue	9,350,884		14,743,129	
Bought-in materials and services				
- Local	(3,494,689)		(3,218,401)	
- Imported	-		-	
	<u>5,856,195</u>		<u>11,524,728</u>	
Finance income	160,369		166,267	
Valued added	<u><u>6,016,564</u></u>	<u>100</u>	<u><u>11,690,995</u></u>	<u>100</u>
Distribution of Value added/(eroded)				
To Government:				
Taxation	523,300	9	195,058	2
To Employees:				
Employee benefit expenses	880,285	15	1,269,287	11
To Providers of Finance:				
Finance expense	14,369,063	239	5,030,589	43
Retained in the business:				
For replacement of PPE	3,552,223	59	2,277,164	19
For replacement of intangible assets	20,480	-	13,876	-
To (deplete)/augment reserve	<u>(13,328,787)</u>	<u>(221)</u>	<u>2,905,021</u>	<u>25</u>
	<u><u>6,016,564</u></u>	<u>101</u>	<u><u>11,690,995</u></u>	<u>100</u>

Value added is the wealth created by the efforts of Company and its employees and its allocation between government, employees, providers of capital and re-investment for the creation of future wealth.

Five Year Financial Summary - Company

	<u>2014</u> N'000	<u>2013</u> N'000	<u>2012</u> N'000	<u>2011</u> N'000	<u>2010</u> N'000
Revenue	<u>9,350,884</u>	<u>14,743,129</u>	<u>7,591,877</u>	<u>12,252,604</u>	<u>11,136,955</u>
Results from operating activities	1,403,207	7,964,401	(3,584,843)	1,708,380	2,671,511
Net finance expense	<u>(14,208,694)</u>	<u>(4,864,322)</u>	<u>(3,948,451)</u>	<u>(5,286,700)</u>	<u>(3,635,266)</u>
(Loss)/profit on ordinary activities before taxation	<u>(12,805,487)</u>	<u>3,100,079</u>	<u>(7,533,294)</u>	<u>(3,578,320)</u>	<u>(963,755)</u>
Taxation	<u>(523,300)</u>	<u>(195,058)</u>	<u>(23,350)</u>	<u>(70,133)</u>	<u>(1,431)</u>
(Loss)/profit for the year	<u><u>(13,328,787)</u></u>	<u><u>2,905,021</u></u>	<u><u>(7,556,644)</u></u>	<u><u>(3,648,453)</u></u>	<u><u>(965,186)</u></u>
Assets employed:					
Non-current assets	26,222,525	26,901,874	22,502,280	24,563,001	24,934,649
Current assets	<u>13,160,053</u>	<u>12,522,801</u>	<u>6,488,875</u>	<u>10,413,683</u>	<u>14,565,333</u>
Total assets	<u><u>39,382,578</u></u>	<u><u>39,424,675</u></u>	<u><u>28,991,155</u></u>	<u><u>34,976,684</u></u>	<u><u>39,499,982</u></u>
Financed by:					
Equity	(9,661,935)	3,666,852	(7,524,605)	(367,961)	3,280,492
Non-current liabilities	44,989,358	23,195,174	25,440,478	29,623,233	28,242,231
Current liabilities	<u>4,055,155</u>	<u>12,562,649</u>	<u>11,075,282</u>	<u>5,721,412</u>	<u>7,977,259</u>
Total equity and liabilities	<u><u>39,382,578</u></u>	<u><u>39,424,675</u></u>	<u><u>28,991,155</u></u>	<u><u>34,976,684</u></u>	<u><u>39,499,982</u></u>
Basic (loss)/earnings per share (kobo)	(19,336)	4,341	(11,293)	(5,453)	(1,442)

These are the second set of consolidated financial statements, a five year financial summary of the group has not been presented.