AFROMEDIA™

Since 1928

…delivering your audience!

2013 Annual Report & Accounts

CONTENTS

AFROMEDIA
Since 1928
...delivering your audience!

AFROMEDIA PLC
Company Registration Number:RC.2027

BOARD OF DIRECTORS:

Mr. Idowu Iluyomade	- Chairman /Non-Executive Director (appointed 10/1/2014)
Engr. Patrick Osita Nwabunie (F.IoD)	- Vice-Chairman/Non-Executive Director
Mr. Akinlola Irewunmi Olopade (F.IoD)	- Managing Director
Mr. Sunday O.S. Nwachukwu	- Finance Director
Mr. Ernest C. Ebi (MFR)	- Non-Executive Director (appointed 10/1/2014)
Mallam Ibrahim Isiyaku (SAN)	- Non-Executive Director (appointed 10/1/2014)
Mr. Victor Ogiemwonyi	- Non-Executive Director (appointed 10/1/2014)
Alh. Mohammed Gobir	- Non-Executive Director (resigned 29/7/2013)
Dr. Onaolapo Soleye	- Non-Executive Director (resigned 19/11/2013
Alh. Lai Mohammed	- Non-Executive Director (resigned 31/12/2013)

REGISTERED OFFICE:
KM 21, Badagry Expressway,
Araromi Ajangbadi, Lagos

CORPORATE OFFICE:
39, Ladipo Bateye Street, GRA, Ikeja, Lagos
Tel: 07013486381
Email: info@afromediaplc.com
URL:www.afromediaplc.com

COMPANY SECRETARY:
Mrs. Ifetola Fadeyibi

EXTERNAL AUDITORS:
Ernst & Young
2A, Bayo Kuku Road, Ikoyi, Lagos
Tel: 01-4630479-80

MEMBERS OF AUDIT COMMITTEE:

Mr. Meshach Masade	- Shareholder Representative (Chairman)
Mrs. Elizabeth Gbegbaje	- Shareholder Representative
Engr. Patrick Osita Nwabunie (F.IoD)	- Director
Mallam Ibrahim Isiyaku (SAN)	- Director

REGISTRARS:
EDC Registrars Ltd.
No. 154, Ikorodu Road,
Onipanu, Shomolu, Lagos
Tel: 01-7301261

PRINCIPAL BANKERS:
First Bank of Nigeria Limited
Standard Chartered Bank Nigeria Limited
Ecobank Nigeria Limited

	2013 ₦'000	2012 ₦'000	Change %
Turnover	742,907	1,644,060	- 0.55
Loss before taxation	(850,941)	(4,476,896)	0.81
Loss after taxation	(851,324)	(4,490,302)	0.81
At Year End			
Paid-up Share Capital	2,219,524	2,219,524	
Shareholders' fund	(94,025)	784,705	- 112%
Per-Share data			
Loss per share	(19k)	(101k)	81%
Net assets per share	(0.02k)	0.18k	- 112%
Number of employees	42	40	5%

...delivering your audience!

These words encompass Afromedia's passion. They emphasize our mission and the extent to which we are committed to creating value for our clients.

From our humble beginnings in 1928, we have evolved many times over but our commitment remains the same.

Our Heritage:

Afromedia PLC, which came into being and became autonomous on the 28th day of October 1959, is Nigeria's leading supplier of Out-of-Home media services to the advertising industry. Originally Afromedia was a small service arm of West Africa Publicity (WAP), the latter itself was incorporated in 1928 as part of the parent company, United Africa Company Limited (UACL).

However, in 1959, and to meet the requirements of international convention, which did not permit a single organisation to run both agency services and media contracting services, the parent UAC conglomerate formed two companies. The companies were namely: **Afromedia Nigeria Limited** to handle outdoor services, and **Lintas Limited** to handle agency work. Both were run as two independent members of the UACL Group.

Birth of Afromedia:

The company was formed with a partnership of UAC International, Mills and Allen International and British-Franco Electric Company. UAC International, a multi-national conglomerate owned controlling shares. Mills and Allen was the largest outdoor advertising company in the United Kingdom, while British Franco Electric Company was the largest UK manufacturer of illuminated and road traffic signs.

Change of Ownership & Corporate Status:

As a result of the Nigerian Enterprise Promotion Decree of 1972, which reserved among other Public Relations and Advertising exclusively for Nigerians, Afromedia Nigeria Limited was acquired by its Nigerian manager who maintained links with the previous specialised partners. On 2nd July 2008 Afromedia Nigeria Limited received approval of the Corporate Affairs Commission, and it became **AFROMEDIA PLC.**

Our Location & Facilities

Our Corporate Head Office:
AFROMEDIA PLC
39 Ladipo Bateye Street,
GRA, Ikeja, Lagos
Tel: 07013486381
Fax: +234-1-4974257
Website: www.afromediaplc.com

Our Industrial Head Quarters and Registered Office:

Our factory premise and registered office is situated on a 10-hectare parcel of land, at Km 21 Badagry Expressway, Araromi, Ajangbadi town, Lagos. It is located at about 100 metres off the expressway.

Our Pioneering Efforts

Afromedia PLC: OAAN 1
We started OOH in Nigeria, now we are shaping the future.

We are pioneers in the OOH Nigerian industry and for more than fifty years we have been a driving force in connecting brands with their target audiences. On our journey, we have been responsible for pioneering a range of innovations and the Nigerian OOH industry cannot be written without our presence. This experience has consolidated our heritage and secured our future, enabling the company to exploit its advantages in all ramifications.

The First Screen-Printed Poster in the Country:

Outdoor posters were originally imported into Nigeria. By March 1960, however, we laid the foundation for the arrest of that trend. Our Advertising Product Services Division produced the very first screen-printed poster in the country. This innovation met with such encouraging success that within the following 5 years, the quantity of imported posters had considerably dropped.

Half-Tone Printing:

In 1966, our highly trained and skilled team carried out further innovations in half-tone printing. Fruits of their effort came in 1968 with the local production of the first four-colour half-tone screen-printed posters in Nigeria. Due to Afromedia trail blazing work, advertising posters displayed in Nigeria now are produced locally.

Media in the Market Place Concept:

In our relentless drive to bring the latest in Out-of-Home advertising products to the market, we introduced in 1979 the concept of **"Media in the Market Place".** This means bringing 4-sheet poster advertising in close proximity with the point of purchase. This provides limitless opportunities for advertisers to reach shoppers just before they buy.

American Standard Monopole

In 1998, we scored another first by the design, fabrication and installation of the most advanced US standard monopole, double-face, and centre-mount tower billboard as is evident at Apakun Apapa-Oshodi Expressway fly-over opposite DHL Lagos.

Tri-face Flat-mount Advert Monopole:

In 2000, we did it again by the design, fabrication and installation of another most advanced US standard mono-pole, tri-face, flag-mount bulletin board as is evident at Awolowo Road opposite former Federal Nursing School Ikoyi, Lagos.

Solar-Power Illumination of Advert Structures:

In the same year, we yet again pioneered the illumination of advertising sites that are independent of power from PHCN (Power Holding Company of Nigeria) or electricity generating plants, by the employment of solar-power for unlimited power supply and even illumination of billboards without shadows. This has ensured that advertisers' brands get maximum exposure, even in the most remote parts of the country.

Also in 2000, we won the Chartered Institute of Marketing of Nigeria award as: **The Best Market-Driven Outdoor Advertising Company in year 2000.**

National Awards:

Over the years, Afromedia Plc has been the recipient of several accolades in recognition of its performance and inroads in the Out-of-Home Media sector and beyond. Some of which are:

- In 2013, we won the Nigeria Business Awards **Best Outdoor Company of the year.**
- In 2011, we were recognised as **Environment Champions** by the Nigerian Arts Group in partnership with the Lagos State Ministry of the Environment.
- In 2008 and 2007, we won the Lagos Enterprise Award for **Outdoor Advert Company** of the year consecutively**.**
- In 2000, we won the Chartered Institute of Marketing of Nigeria award as **The Best Market-Driven Outdoor Advertising Company in year 2000.**

Local & International Affiliations:

We are affiliated with both the **Outdoor Advertising Association of Nigeria (OAAN) and Outdoor Advertising Association of America Inc. (OAAA).** OAAA works with its members to enhance billboard quality, improve safety, set standards, conduct research and development and encourage new technologies. OAAN provides useful training and educational opportunities including conventions, operations seminars etc. to its members. We are also affiliated to **World Federation of Outdoor Advertising (FEPE) and Screen-printing and Graphics Imaging Association (SGIA).**

Today, after over 50 years of pioneering work and with our versatility, Afromedia Plc is an acknowledged leader in the advertising industry. In the drive to achieve our strategic goal we thrive on highly efficient and capable working team who are willing as ever to innovate, update and align their thinking, by living up to our values.

CURRENT PRODUCTS AND SERVICES

The major products of the company include: 8m x 8m Billboards, 10m x 10m Billboards, Airport Special Billboards, Solar Powered Illuminated 4m by 15m I.A.T's (UNIPOLE), 5m x 10m Billboards and 48 Sheet Billboard.

10m x 10m Billboard

15m x 4m Billboard (Illuminated)

8m x 8m Billboard

Airport Special Billboards

5m x 10m Billboard

Lamp Post Banners

Gantry

8m x 8m Billboard

Click Frame LED Light Box Structures

Digital Billboard Posters

The company's products are highly rated and continues to be a referrence point from regulatory agencies including the Lagos State Signage and Advertising Agency (LASAA) in terms of highest quality of structural designs.

RECAPITALISATION & LISTING OF EQUITIES

- By the end of May 2008, we successfully concluded our Private Placement, which brought in ₦3billion equity.
- On 20th October 2008 we received the approval of the Nigerian Stock Exchange (NSE) for Listing of our Shares on its floor and were eventually listed by introduction on the 18th of May 2009.
- We currently have approximately 2,000 Shareholders, and stand as the company with the highest capitalisation and asset base in the industry in Nigeria and the only Out-of-Home Media company to be listed on the NSE.

OVERVIEW OF THE COMPANY

Not contented with resting on its laurels, Afromedia is strategizing on building on its pioneering and leadership achievements by exploiting its versatility. To further strengthen its position as the premier Out-of-Home Media Company, Afromedia has re-strategized and rebranded, resulting in the repositioning of the Afromedia brand, including adoption of a new corporate logo. In the same vein, its Management Team has been strategically reorganised to proactively promote enhanced growth and profitability.

The Company's Vision, Mission and Values form the framework for the company's strategic direction:

Corporate Vision:

- To be the preferred enabler of the world's most successful brands.

Corporate Mission:

- As the leading media solutions provider out of Africa, our mission is to create opportunities for brands to connect with, and messages to resonate with their target audiences in new and exciting ways.

Corporate Values:

Afromedia PLC's success can be attributed to the following values, which enabled it to survive the turbulent socio-economic terrain over the last 50 years:

- Unwavering **Integrity and Transparency**
- A **Passion** for collaboration
- A will to **Innovate & Create**
- An unalloyed **Assurance of Quality**
- A **Profound Regard** for our society
- A lifelong **Commitment to Excellence**

Corporate Social Responsibility Commitment:

From its inception Afromedia PLC has ensured that it impacts positively within its community, its immediate operating environment, and its global business environment. The company is proud of its heritage and believes in giving back to the less privileged.

The company is focused on building a Corporate Social Responsibility (CSR) programme that reflects the company's values, while addressing the social, humanitarian and environmental challenges in the company's operating environment. This is a prerequisite for our business, for we believe that true success is not fulfilled until one can give back to the society.

Future Outlook of the Company

With a view towards repositioning and expanding the company, which had hitherto been stifled by various challenges that emerged after becoming a quoted company on the floor of the Nigerian Stock Exchange, the Board and Management have not lost sight of the initial plans to reorganise and diversify the Company's interests to consolidate its initiatives for expansion into the different segments of the media industry; through its transformation into a group of companies. In consolidating on our experience within the industry and following through with our expansion initiatives, the group will be actively involved in providing a wide range of media services, which would also include technical consultancy to various government agencies involved with the regulation of outdoor media industry. We are also currently in the process of expanding our consultancy prowess to other states in Nigeria, apart from our subsisting consultancy relationship with the Federal Capital Territory Abuja (FCTA).

The company will follow through on its road map to the creation of its group of companies for business expansion; entailing formation of strategic/specialist business companies to focus on and harness opportunities in various segments of the media industry. The emerging group of companies will have the group's pay-off line as *"…delivering your audience!".*

The proposed Afromedia Group will comprise the following strategic companies as members, subject to obtaining the relevant regulatory approvals:

- Afromedia Africa Proprietary Limited (for all strategic investments)
- Afromedia Airports Limited (for management of all airport media businesses)
- Afromedia Digital Out-of-Home Media Nigeria Limited (for digital OOH media)
- Afromedia Out-of-Home Media Solutions Nigeria Limited (for non-digital OOH media)
- Afromedia e-Media Solutions Limited (for all e-based media)
- Optmedia Limited (for all other platforms in media management)

OUR TEAM

Since our first pioneering achievements in 1960 with the first Screen-Printed Poster in Nigeria, we have continued to set the pace as market leaders and innovators. Not only are we the only publicly quoted company in our niche industry (OOH), we have also continued to evolve and grow our business.

In line with our corporate expansion goals, the company embarked on repositioning programmes, emerging with a new-look, dynamic Board of Directors, which was reconstituted in February 2014. The ever-forward looking team comprises the following persons who have respectively distinguished themselves in different walks of life.

The Board

Mr. Idowu Olusola Iluyomade, *Chairman*

Mr. Iluyomade, is a practising lawyer with a bias for Commercial Law Practice and has practised widely in various states of the Federation. He is also an astute businessman with particular interest in oil and gas amongst others.

He is the Chairman of the Board of Directors of Afromedia Plc, as well as the Board's Business Development Committee. He is an Independent Non-Executive Director. He is also on the Board of Directors of a number of Companies, acts as the Chairman of some of these Companies and is a Managing Director of one of them. He is currently the Vice Chairman of Pastor Enoch Adejare Adeboye Endowment Fund University of Lagos and University of Ibadan.

He has attended various International Seminars on leadership and training, in different areas of the Law and on businesses, new frontiers, the ideal executive, and the essential of growing businesses, marketing, amongst others.

Mr. Iluyomade attended the International School University of Ibadan and trained as a Lawyer at the University of Ife (now Obafemi Awolowo University) Ile-Ife and the Nigerian Law School. He was subsequently called to the Nigerian Bar in 1982 and has since been in private legal practice.

Engr. Patrick Osita Nwabunie (F.IoD) *Vice Chairman/ Non-Executive Director*

Engr. Nwabunie joined the services of Afromedia Plc in 1989 as Purchasing Manager and in 1991 he was elevated to the position of General Manager (Resources). Following his excellent managerial performance, he was appointed an Executive Director in 1995 and later elevated to the position of Deputy Managing Director of the company in 1999, where he served for 11 years until his retirement as an Executive Director on 1st July 2011 to pursue other interest. Despite his retirement, Engr. Nwabunie, still remains on the board as a Non-Executive Director of the company and recently took up the role as Vice Chairman of the Board on the 27th of February 2014.

He is a Fellow of the Institute of Directors of Nigeria (F.IoD), and member of Advertising Practitioners Council of Nigeria (APCON). He is an Alumnus of London Business School.

Mr. Akinlola Irewunmi Olopade (F.IoD) *Managing Director*

Mr. Olopade joined the services of Afromedia Plc in 1992 as a Product Development Manager and was elevated to the position of General Manager one year after assumption of duties based on his outstanding performance in product development.

He was appointed Executive Director in 1995 and rose to the position of Managing Director of Afromedia Plc in October 1999. He presently chairs the Board Executive Committee of Afromedia Plc.

His wealth of experience over the years has taken Afromedia from a private limited liability company with a share capital of 10 million Naira to a publicly quoted company with share capital in excess of 2 billion Naira.

He is a Fellow of the Institute of Directors of Nigeria (F.IoD), Vice President of Outdoor Advertising Association of Nigeria (OAAN), and member of other professional bodies such as, Advertising Practitioners Council of Nigeria (APCON), Screen printing and Graphic Imaging Association International (SGIA), and Digital Printing & Imaging Association etc. He has attended several executive management development programmes, including those of London Business School.

Mr.Sunny O. Shadrach Nwachukwu, *Finance Director*

Mr. Nwachukwu joined the services of Afromedia in 2007 as Chief Financial Officer and was elevated to the Board of Afromedia PLC in 2008 as Finance Director based on his outstanding job performance within the first year of his assuming duties.

He has over 20 years wealth of experience in various industries including Oil and Gas, Insurance, Manufacturing, Finance, Media, etc.

He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), an Alumnus of London Business School, and a member of both Nigerian Institute of Management (NIM) and the Institute of Directors of Nigeria (M.IoD). He also has a Master's Degree in Business Administration (MBA).

Mr. Victor Ogiemwonyi, *Non-Executive Director*

Mr. Ogiemwonyi was until 1991 with former NAL Merchant Bank Plc, the oldest and one of the most respected merchant banking houses in Nigeria where he received his Investment Banking training. He also worked as the pioneer Chief Executive Officer for Financial Derivatives Company Ltd, a foremost Financial Advisory Firm in Lagos.

He earned a BBA in Accounting and an MBA in 1981 from Texas Southern University. An alumnus of LBS Chief Executive programme, he has attended several courses both locally and abroad, including INSEAD and The New York Institute of Finance.

Mr. Ogiemwonyi is a Chartered Stockbroker and a member of several professional bodies. He is the vice chairman of the Association of Issuing Houses of Nigeria and member, Nigerian Institute of Management (NIM). He is also the Managing Director of Partnership Investment Company Plc.

A member of several capital market committees, he is at present a fellow and served as council member of the Chartered Institute of Stockbrokers (CIS) and chairman of the Institute's Technical Research Committee and member of the Finance Committee.

He is a member of the Capital Market Committee and Administrative Proceedings Committee (APC) of the Securities and Exchange Commission (SEC). He is also on the board of the National Association of Securities Dealers (NASD) where he is the chairman of the technical committee on the establishment of an alternative securities trading platform. Other bodies in which he is a member includes, Association of Pension Fund Managers; Nigerian - American Chamber of Commerce; Nigerian - South African Chamber of Commerce and Institute of Directors (IoD).

Mr. Ogiemwonyi, a widely read columnist, and a National Council member of the Nigerian Stock Exchange. He presently acts as Chairman, Board Governance & Remuneration Committee of Afromedia Plc.

Mr. Ernest Chukwudi Ebi MFR, FCIB *Non-Executive Director*

Mr. Ebi commenced his working career in the United States of America as an Accounts Technician with the National Association of Counties, Washington DC in 1976 and subsequently worked at the Federal Savings & Loans Association Washington DC where he served as the Assistant Vice-President Community Federal Savings & loans Association.

In 1981, he returned to Nigeria and joined the International Merchant Bank Plc, served in various capacities and also as part of executive management. In a very distinguished career within the financial services industry, Mr. Ebi went on to serve in leadership in various notable organisations in the banking sector. During his illustrious years in the banking sector, Mr. Ebi attained the position of Central Bank of Nigeria Deputy Governor, Corporate Services.

He served as the alternate Governor of the International Monetary Fund (IMF) and the Chairman of Deputies of the Group of twenty-four countries (G24 countries).

Mr. Ebi's professional experience and expertise spans the full spectrum of executive leadership, financial goals delivery, business management, human resources capacity building, and general business performance management.

It is in recognition of his sound professional background and his track record of delivering on expectations that the Chartered Institute of Banking Nigeria awarded him the prestigious fellow of the Institute.

Mr. Ebi attended Holy Ghost College Owerri between 1970 and 1972. He thereafter proceeded to Howard University, Washington DC USA where he graduated with a Bachelor of Business degree in Marketing in 1978. He also obtained an MBA from the same university in 1979.

Mr. Ebi has attended management and leadership development programs in IMD Switzerland, Harvard, Oxford-Said Business School, amongst others. Mr. Ebi has served extensively on many corporate, as well as non-profit organisations. He supports Worldvision, a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. He is also involved in various humanitarian causes, especially in fundraising to promote its programs across the nation.

He is an Independent Non-Executive Director and presently acts as the Chairman, Board Finance and Risk Management Committee of Afromedia Plc.

Mallam Ibrahim Isiyaku (SAN) *Non-Executive Director*

Mallam Isiyaku is a practising lawyer with over 27 years legal experience and the principle counsel at Ibrahim Isiyaku & Co. He graduated from Ahmadu Bello University, Zaria, Nigeria for his first degree in law and later returned to complete his masters in constitutional/administrative law. He was also at one time the State Counsel at the Ministry of Justice, Niger State.

He is presently a member of the Commonwealth Association of Legislative Draftsmen; Member, Hawkamah Institute of Corporate Governance; Member, London Court of International Arbitration; Member, Justice Sector Reform Committee (Niger State) He is a Senior Advocate of Nigeria.

He is also a member, Senate of the Federal University of Technology, Minna; member, International Bar Association & Committee; member International Sales Committee, International Investments Committee, Arbitration & Mediation Committees; Africa Forum and member, Nigeria Bar Association.

Mallam Isiyaku (SAN) was also a member of the Constituent Assembly responsible for making the 1989 & 1999 Constitution of the Federal Republic of Nigeria, 1999.

Key Management Leadership

Apart from Mr. Akin Ire Olopade, the Managing Director of Afromedia Plc who oversees the day-to-day running of the business, Mr. S. O. S. Nwachukwu is the Finance Director; both of whom double as Executive Directors of Afromedia Plc. These Executive Directors are also supported by other highly qualified and experienced members of the Management, with a corporate management structure that has evolved to cater to the company's primary needs with greater speed, productivity and efficiency.

Mr. Adekunle Odumosu
Associate Director, Business Development/Research

Mr. Adebanjo Adedigba
Associate Director, Internal Control & Audit (FCA, FCICMN, ACTI)

Mrs. Osen Odeyemi
Executive Assistant to the GMD/Head Central Services

Mrs. Ifetola Fadeyibi
Company Secretary LL.B, ACIS

Mr. Friday Agbonifo
Chief Analyst, Research & Proprietary Investment

Mr. Victor Igbor
Head, Internal Control & Audit

Mr. Oluwayemisi Ojeyomi
Head, Sales OOH Media/ Digital OOH

Mr. Adesina Oke
Head, Sales Operations

Mr. Olanrewaju Olaniyan
Acting Financial Controller

Mr. Abiodun Ogungbade
Manager, Information Technology

Mr. Idowu Olusola Iluyomade
Chairman

My dear shareholders,

On behalf of the Board of Directors, I welcome you all to the 48th Annual General Meeting (AGM) of our Company and present the Annual Report and Accounts for the last financial year ended 30th September 2013 to you.

Global and Domestic Economic Environments

Global economic growth challenges that were witnessed in year 2012 did not improve significantly in the year 2013; a period that experienced about 2.1% global economic growth rate. During the year under review, the global economy experienced subdued growth ,as under performance in the world economy was noted across almost all regions and major economic groups .The modest growth pace fell below all forecasts for the world economy. The United States of America, the major driver, experienced slow-to-moderate economic growth rate of about 1.6% and the major emerging markets faced slower growth.

A growing number of developed economies fell into further recession .Among them were those in severe sovereign debt distress ,caught in the downward spiralling dynamics from high unemployment ,weak aggregate demand that was compounded by fiscal austerity, high public debt burdens, and financial sector fragility. Notably weakened growth in the major developing countries and economies in transition reflected both external vulnerabilities and domestic challenges characterized by continued deleveraging by firms and households, continued banking fragility, heightened sovereign risks and fiscal tightening during the period.

It is of great interest to note that among developing countries, growth prospects in Africa remained relatively robust, with a continental economic growth of approximately 4.0% in 2013, while GDP is projected to accelerate to 4.7% in 2014. The growth prospects are hinged on improvements in the global economic and regional business environment, relatively high commodity prices, easing infrastructural constraints, and increasing trade and investment ties with emerging economies. Other important factors for Africa's medium-term growth prospects include increasing domestic demand, especially from a growing class of new consumers associated with urbanization, rising incomes and improvements in economic governance and management. The World Gross Product (WGP) is forecast to grow at a pace of 3.0% and 3.3% for 2014 and 2015, respectively; in the face of a number of uncertainties and risks emanating from possible policy shortcomings and factors beyond the economic domain.

With regard to global advertising market size of approximately US$451 billion in 2012, it grew to about US$473 billion in 2013. With a projection of 6.5% growth compounded annually, the global advertising spend approximates to US$617 billion in year 2017. Emergence of digital advertising (including all internet and mobile based platforms) has shown significant impact on global advertising expenditure. This segment of the media has been projected to contribute 63% of the growth expected in advertising market size for the period 2012-2017. The strong growth of the digital advertising has brought about untold pressures on each of the hitherto known major advertising categories, including the Out-of-Home media.

Domestic Operating environment

The year 2013 was indeed a year filled with mixed significant factors that impacted heavily on the domestic operating environment in Nigeria.

During the review period, the operating environment witnessed a revolutionary policy on infrastructural transformation; notably the privatization of electricity generation and distribution with the formal hand-over of the facilities to the private investors by the Federal Government on 1st November 2013. This became a great milestone in the Power Sector and a new dawn in the national journey to improved, steady electricity supply in Nigeria. Though this paradigm shift in the power sector might be fraught with great performance challenges, especially in the early stages of the post-handover era, it is a welcomed development in the economy of Nigeria. Efficient management of the privatized Power Sector will be of great impact on the cost of doing business in Nigeria. In the media industry, it is expected to translate into steady power supply and eventual elimination of avoidable high expenditure on procuring power supply-generators and their fuelling for illumination of billboard sites. Power supply in the year under review was epileptic, leading to high cost of sales.

The CBN tight monetary policy stance significantly moderated inflationary pressures, with the year-on-year headline inflation rate reduced to single-digit inflation rate between 9-8.4% in the review period from a previous 12% in 2012. Although the Central Bank of Nigeria maintained its monetary policy rate at 12%, commercial interest rates were generally too astronomical and adverse for business operations; coupled with other unfavourable terms and conditions for securing project funding. Unabated insurgency and the growing insecurity held sway in different regions, particularly in the northern regions of the Country, during the year 2013.

All these adverse operating factors impacted significantly on the Company's business, resulting in increase in its cost of operation.

Significant changes in performance reporting, particularly as they related to International Financial Reporting Standards (IFRS), were further witnessed during the year under review. The Company's roadmap for IFRS adoption became fully implemented in the year as a First Time Adopter.

Operating Results

The turbulence that gripped the Company in 2012, with specific reference to a force majeure-like circumstance imposed on its strategic transit business locations nationwide since year 2011, permeated the 2013 financial year. The protracted remodelling of the Federal Airports Pan-Nigeria did not permit quick resolution of constraints in the Company's operations in this media segment throughout the year. This was contrary to all expectations and efforts by the Board and Management of the Company.

Prevailing insurgency and insecurity in some parts of the northern region of the local economy, truncated business plans for generating revenue with available billboards of the company in the affected region. There occurred some dramatic policy changes from regulatory/government policies on Out-of-Home media sites, regulatory policies that also contributed to the negative performance impact.

The Company recorded a turnover of ₦742.9 million in year 2013, which represented a 54.8% decline in comparison to ₦1.644 billion turnover achieved in year 2012. The net loss before tax was ₦851 milion in 2013 when compared with ₦4.477 billion in 2012, representing an improvement of 81%.

The following are key factors that contributed significantly to the Company's loss incurred in the financial year under consideration:

i) **Impact of the International Financial Reporting Standards (IFRS) Conversion:**

In line with regulatory requirement, the Company's full IFRS Adoption was implemented in year 2013. The impact of this First Time Adoption of IFRS on the return of 2013 was mandatory adjustments and write-offs of balances permitted in the previous local standards but disallowed under the IFRS; thereby contributing to the negative bottom line position in 2013. Among the impacts of the First Time Adoption of IFRS were:

- The company mandatorily wrote-off pre-structural investments made under business expansion initiatives totalling ₦84,810,680.01, which were suspended until a more economically and technically feasible time was reached to activate them.

- A decommissioning provision i.e. the cost estimated for dismantling and removing the asset and restoring the site on which it is located, was made on our Hoardings in accordance with IAS 37. This is a constructive obligation based on the nature of Afromedia Plc's business. The cost of dismantling the billboards were discounted and debited to the Company property, plant and equipment (PPE) as at 1 October 2011 and the additional depreciation on Hoardings as a result of the dismantling cost was recognised in income statement. In 2013, a sum of ₦25.9m was charged to the income statement as the depreciation on the decommissioning cost.

ii) **Impact of Regulatory Constraints on Key Advertising Sites & Debt Recovery Challenges:**

There was continuity of adverse disruptions to the Company's operation at all its major and exclusive airport advertising concession sites, arising from infrastructural upgrade by the Federal Airport Authority of Nigeria (FAAN) which continued from year 2012 and permeated into year 2013 till date. The company was virtually incapacitated by this adverse regulatory development as no business could be executed in any of the Federal Airports Pan-Nigeria in year 2013. This resulted in loss of over 75% of the Company's installed revenue generating capacity. Although the Board and Management of the Company explored all available options towards resolution of the impediments in this strategic transit business segment, the year passed without achieving the much-desired restoration of the advertising sites. This significant lost revenue-generating capacity accounted principally for the low turnover in the year under review.

iii) **Impact of Disrupted Servicing of Bank Facilities & Huge Interest Expenses:** Consequent upon lost significant businesses and revenues from the Transit Segment and its associated cash flow constraints during the period, the Company also experienced a setback in servicing its existing credit facilities from Standard Chartered Bank Limited. The debt servicing constraint was further worsened by protracted failure of one of the company's major clients to pay its invoices for which the media order was executed significantly with the facilities. The delivery of the client's media contract was partly truncated by the disruptions from the airport upgrade. Though the debt recovery has been a subject of subsisting legal action, its constraint on cash flow resulted in continued huge interests and other financial charges of approximately ₦345 milllion during the year.

It is note worthy to state that the continued efforts of the Company in the renegotiation of the outstanding bank facilities eventually culminated in Standard Chartered Bank Limited restructuring the facilities for a new tenor of five years with a moratorium of six months for both principal and interests, effective August, 2013.

Positive Business Outlook & Afromedia's Business Transformation Strategy

Despite the temporary setback witnessed in the performance of the company since late 2011, there is encouraging positive business outlook in the media industry in Nigeria. In the wake of emerging business opportunities in the media industry in Nigeria, the Management has initiated corporate transformation strategies to harness immediately the expanded horizon for improved business performance.

Positive Business Outlook highlights:

Among the factors that form the basis for positive repositioning of the Company for greater performance are:

- Nigeria is fast becoming an investment destination economy;
- Current Power Sector transformation is providing immense business opportunities to complement those being provided by the Telecommunications, Entertainment, Agriculture, Oil & Gas sectors, etc;
- Advertising/corporate communication budget constraints have necessitated the quest by advertisers for more innovative media platforms for delivery of their target audience within their limited budget;
- This trend has necessitated Afromedia broadening its scope of media practice beyond its hitherto restrictive Out-of-Home Media practices only.

Afromedia's Business Transformation Strategy highlights

- Redefinition of its strategic focus from sole OOH Media Company to broader Media Company.

- Redefinition of its pay-off line from "innovatively changing the Landscape" to *"…delivering your audience!"*.

- Strategy for transformation of its corporate structure into a group of companies business framework.

The Board Membership & Changes

The Board of Directors of the Company was recently reconstituted following the vacancies created by some of the former Board members, who for unavoidable and urgent personal interests, left the Board recently in pursuance of their other private endeavours. The Non-Executive Directors who recently resigned from the Board were: Dr. Onaolapo Soleye (former Chairman), Alh. Lai Mohammed and Alh. Mohammed Gobir, respectfully. For their impactful and unparalleled services to the Company through the past years, on behalf of the Board, Management and Shareholders of the Company, our deep appreciation is hereby expressed to the past Board Members, and we wish them the very best in their endeavours in life as they move on to pursue other activities of personal interest.

The newly reconstituted visionary and dynamic Board of Directors have been strategically selected based on the need for the company to reinvigorate its Board for enhanced corporate performance. Four (4) new Non-Executive Directors comprising visionary Nigerians from various walks of life and who have enviable track records of achievements and professionalism have been brought on board. They include: Mr. Idowu Iluyomade, Mr. Ernest C. Ebi (MFR), Mr. Victor Ogiemwonyi and Mallam Ibrahim Isiyaku (SAN) whose respective profiles are stated in the Corporate Profile on pages 13 to 16 of the 2013 Annual Report. Subsequent to the resignation of the three Non-Executives, a new board structure emerged with the creation of the position of a Vice - Chairman for the ease of administration of the Board and its meetings. The Board of Directors recently appointed Mr. Iluyomade as Chairman of the Board and Engr. Patrick Osita Nwabunie was appointed the Vice-Chairman. The appointment of the new Board members will be proposed for ratification by the shareholders at the Annual General Meeting.

Management & Staff

Despite the harsh operating environment and economic challenges suffered by the Company, we have maintained a continuous level of professional development and training of our Management and staff, to ensure sharpening of the skills required by the

Board and employees to satisfy the demands of their daily activities. Of particular note was the continuous professional training on the International Financial Reporting Standards, which was necessary in order to fortify the Company's internal controls and financial reporting; in compliance with statutory requirements.

Research and Development

The Company maintained investment into research and development to improve its service offerings and has been exploring new alliances to boost the efforts towards business growth and returns.

Conclusion

On behalf of the entire Board of Directors and Management, we are grateful to all our stakeholders, regulators, shareholders, staff, professional consultants, bankers, business partners, etc. who have endured the scourge of the economic difficulties encountered in the last two years by the Company. Together we can make a change, a positive change in line with our operating dynamic environments.

Thank you for participating at this annual general meeting. God bless you all, God bless our dear company Afromedia Plc, Amen.

Mr. Idowu Iluyomade
FRC/2014/NBA/00000007751
Chairman, Afromedia Plc

AFROMEDIA

Since 1928

...delivering your audience!

BOARD OF DIRECTORS

1 **Mr. Idowu Olusola Iluyomade**
Chairman

2 **Mr. Akinlola Irewunmi Olopade** (F.IoD)
Managing Director

3 **Mr.Sunny O. Shadrach Nwachukwu**
Finance Director

4 **Engr. Patrick Osita Nwabunie** (F.IoD)
Non-Executive Director

5 **Alhaji Ibrahim Isiyaku (SAN)**
Non-Executive Director

6 **Mr. Ernest Chukwudi Ebi** MFR, FCIB
Non-Executive Director

7 **Mr. Victor Ogiemwonyi**
Non-Executive Director

The directors have pleasure in presenting to the members of the Company their report together with the audited financial statements for the year ended 30 September 2013.

1. Principal activity

The principal activity of the Company is outdoor advertising which consist of advertising in Airports, Street furniture and bill boards.

2. Change in reporting framework

Following the directives of the Regulator, Financial Reporting Council of Nigeria the Company changed its accounting policy from Nigerian Statements of Accounting Standard (SAS) to International Financial Reporting Standards (IFRS) in 2013.

3. State of affairs

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

4. Dividend

The directors do not recommend the payment of any dividends in respect of the year ended 30 September 2013 (2012: Nil).

5. Results of operations

	2013 ₦'000	2012 ₦'000
Turnover	742,907	1,644,060
Loss before taxation	(850,941)	(4,476,896)
Taxation	(383)	(13,406)
Loss after taxation	(851,324)	(4,490,302)

6. Property, Plant and Equipment

Information relating to changes in Property, Plant and Equipment (PPE) is shown in Note 14 to the financial statements. In the opinion of the Directors, the market value of the Company's PPE is not less than the carrying value shown in the financial statements.

7. Acquisition of own shares

The Company has not purchased any of its own shares during the year under review.

8. Directors' interest in shares

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

	Ordinary shares of 50 kobo each			
	Direct holding		Indirect holding	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
Mr. Akinlola Irewunmi Olopade (F.IoD)	628,692,900	628,692,900	88,000,000	88,000,000
Engr. Patrick Osita Nwabunie (F.IoD)	447,767,964	447,767,964	55,000,000	55,000,000
Mr. S. O. S. Nwachukwu	37,664,000	37,664,000	-	-
Dr. Onaolopo Soleye	-	-	110,000	110,000

Note: The companies represented by directors with indirect shareholdings are Opomulero Asset Development Ltd and Thorough Investments Ltd, both holding via ESL Securities Ltd Nominee Hab. While Dr. Onaolapo Soleye represented another individual namely, Soleye Womiloju Modupe.

9. Changes on the Board of Directors

In 2013, three (3) Non-Executive Directors namely, Dr. Onaolapo Soleye (former Chairman), Alh. Lai Mohammed and Alh. Mohammed Gobir, respectfully, resigned to pursue other private endeavours. In 2014, the Board of Directors welcomed four (4) new Non-Executive Directors, who are seasoned professionals in their respective areas of expertise. The new directors, namely Mr. Idowu Iluyomade, Mr. Ernest C. Ebi (MFR), Mr. Victor Ogiemwonyi and Mallam Ibrahim Isiyaku (SAN) were appointed on 10th January 2014 and three (3) of the new directors are Independent Non-Executive Directors. Mr. Iluyomade is the present Chairman of the Board of Directors, while Engr. Patrick Nwabunie is the Vice Chairman. A resolution for the ratification of the appointment of the new directors will be proposed at the next general meeting.

10. Directors' interest in contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 of any discloseable interest in contracts with which the Company is involved as at 30 September 2013.

11. Analysis of shareholding

According to the Register of Members, the following shareholders held more than 5% of the ordinary shares of the Company issued as at 30 September 2013.

	%
Mr. Akinlola Irewunmi Olopade (F.IoD)	14.16
Engr. Patrick Osita Nwabunie (F.IoD)	10.09
Partnership Inv. Co/ Ecobank Nigeria Ltd	8.55
Estate of Rev. Iretunde Olopade	10.66
Estate of Chief J.O. Nwabunie	11.95

Shareholding range analysis:

Position As at : 30/09/2013

Range			No. of Holders	Holders %	Holders Cum	Units	Units %	Units Cum
1	-	1,000	206	11.12%	206	74,723	0.00%	74,723
1,001	-	5,000	139	7.45%	345	289,071	0.01%	363,794
5,001	-	10,000	50	2.70%	395	342,792	0.01%	706,586
10,001	-	50,000	215	11.60%	610	4,596,075	0.10%	5,302,661
50,001	-	100,000	69	3.72%	679	4,619,735	0.10%	9,922,396
100,001	-	500,000	943	50.89%	1,622	150,403,750	3.39%	160,326,146
500,001	-	1,000,000	109	5.88%	1,731	65,320,458	1.47%	225,646,604
1,000,001	-	5,000,000	83	4.48%	1,814	151,042,706	3.40%	376,689,310
5,000,001	-	10,000,000	10	0.54%	1,824	70,331,024	1.58%	447,020,334
10,000,001	-	50,000,000	14	0.76%	1,838	281,633,765	6.34%	728,654,099
50,000,001	-	100,000,000	4	0.22%	1,842	257,152,500	5.79%	985,806,599
100,000,001	-	500,000,000	10	0.54%	1,852	2,294,018,917	51.68%	3,279,825,516
500,000,001	-	1,000,000,000	2	0.11%	1,854	1,159,221,470	26.11%	4,439,046,986
Grand Total			**1,854**	**100.00%**		**4,439,046,986**	**100.00%**	

Shareholders' Categorisation

S/N	SHAREHOLDERS TYPE	No. of S/holders	% Holders	No. of Holdings	% Holdings
1	INDIVIDUAL SHAREHOLDERS	1,728	93.20	3,363,381,319	75.77
2	CORPORATE SHAREHOLDERS	126	6.80	1,075,665,667	24.23
	Total	**1,854**	**100.00**	**4,439,046,986**	**100.00**

12. Employment and Employees

12.1 Employment of disabled persons

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

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

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

13. **Charitable contributions and donations**
The Company made contribution to charities of ₦3, 800,000 during the year ended 30 September 2013 (2012: ₦7, 252,000).

14. **Events after the reporting**
As stated in Note 37, there are no events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

15. **Format of financial statements**
The financial statements of Afromedia Plc have been prepared in accordance with the reporting and presentation requirement of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

A resolution will be proposed at the Annual General Meeting empowering the Directors to fix their remuneration.

BY ORDER OF THE BOARD

COMPANY SECRETARY
Ifetola Fadeyibi (Mrs.)
30 December 2013
FRC/2013/NBA/00000003855

At Afromedia Plc we recognise corporate governance as the bedrock of our corporate goals and values in delivering qualitative services and value add to the shareholders and customers. The company continuously reviews and builds its processes to ensure that its business is conducted in line with good corporate governance, best practices, and more particularly in accordance with the laws and regulations of the operating environment in Nigeria, such as the Code of Corporate Governance for Public Companies 2011, post listing rules of the Nigerian Stock Exchange, Companies and Allied Matters Act 2004, International Financial Reporting Standard, Investment and Securities Act 2007, etc.

The Board of Directors has the responsibility of overseeing the company's management and are conversant with the business activities of the company. The duties of the Board include:

i. Overseeing the management and performance of the business;
ii. Formulation of strategic objectives and policies for sustainable growth;
iii. Ensuring the integrity of financial reports and monitoring the Company's operational and financial position;
iv. Formulation and management of risk management framework;
v. Overseeing the effectiveness and adequacy of internal control systems;
vi. Overseeing the maintenance of the company's communication and information dissemination practices;
vii. Ensuring compliance with the laws of Nigeria;
viii. Approving the Company's financial policies and periodic financial statements;
ix. Determining the board structure and size including succession planning;

The Board exercises its oversight functions through its Board Meetings and existing Committees.

1. BOARD OF DIRECTORS

During the year under review, the Board of Directors was made up of six (6) directors, comprising of the Chairman/Non-Executive Director, two (2) Executive Directors and three (3) other Non-Executive Directors. The Chairman and Managing Director are two separate and distinct individuals who serve different roles and have different functions to ensure separation of powers on the Board of Directors, in accordance with the Code of Corporate Governance for public companies in Nigeria, 2011. The Directors are conscious of their statutory responsibilities.

In accordance with the provisions of sections 334 and 335 the Companies and Allied Matters Act 2004 and Code of Corporate Governance for Public Companies 2011, the Board has the responsibility of preparing the financial statements which give a true and fair view of the Company's affairs at the end of each financial year.

The Board meets at least every quarter, but may hold additional meetings to address urgent issues that may arise in the course of daily business activities.

Board Meetings

The Board is ordinarily scheduled to meet at least four (4) times a year. However, the Board may convene additional meetings as the need arises. The Board of Directors met six (6) times in the course of the financial year under review and the record of attendance is provided in the table below.

S/N	Names	Status	Date of Meetings held						No. of Meetings attended
			20th Dec. 2012	26th March 2013	25th June 2013	1st July 2013	9th July 2013	23rd July 2013	
1	Dr. Onaolapo Soleye	Chairman/Non-Executive Director	✓	✓	✓	✓	✓	✓	6
2	Mr. Akinlola Irewunmi Olopade (F.IoD)	Executive Director	✓	✓	✓	✓	✓	✓	6
3	Mr. Sunday O.S. Nwachukwu	Executive Director	✓	✓	✓	✓	✓	✓	6
4	Alhaji Lai Mohammed	Non-Executive Director	✓	✓	✓	✓	x	✓	5
5	Engr. Patrick Nwabunie (F.IoD)	Non-Executive Director	✓	✓	✓	✓	✓	✓	6
6	Alh. Mohammed Gobir	Non-Executive Director	✓	✓	✓	✓	x	x	4

✓ = present; x= absent

Changes on the Board

After the last annual general meeting, a number of changes occurred on the Board of Directors of the company. The company witnessed the exit of three (3) Non-Executive Directors, namely Alhaji Mohammed Gobir, Dr. Onaolapo Soleye and Alhaji Lai Mohammed who all resigned from the Board in year 2013. In 2014, four (4) new Non-Executive Directors, were selected and appointed by the substantial shareholders holding over 51% of the Company's issued share capital and have also demanded that the resolution for the ratification of the appointment of each new Non-Executive Director be proposed and voted upon by poll at the next annual general meeting, in accordance with Section 224 of the Companies and Allied Matters Act CAP C.20, Laws of the Federation of Nigeria (LFN) 2004 and Articles of Association of the company.

We hereby introduce the four (4) new Non-Executive Directors, three (3) of whom are Independent Non-Executive Directors namely, Mr. Idowu Iluyomade, Mr. Ernest C. Ebi (MFR) and Mallam Ibrahim Isiyaku (SAN); while the fourth Non-Executive Director, Mr.

Victor Ogiemwonyi represents an institutional investor, namely Partnership Investment Company Plc. Also, the position of Vice-Chairman of the Board was established and Engr. Patrick Osita Nwabunie was duly appointed by the Board as the Vice-Chairman.

The critical factors considered in the selection and appointment of new directors, who have diverse skills and experience from different works of life include integrity, professionalism, independence, leadership, wealth of experience, with the ability to add value to the company.

An induction has been conducted for the new Non-Executive Directors with introduction to the senior management staff to enable them develop and acquire a basic understanding of the company's business, organisational structure, challenges and duties.

The Board Members

The list of Board members during the year under review and significant changes on the Board which occurred thereafter is stated below as follows:

Mr. Idowu Iluyomade*	- Chairman/Non-Executive Director (appointed 10/1/2014)
Engr. Patrick Osita Nwabunie (F.IoD)	- Vice-Chairman /Non-Executive Director
Mr. Akinlola Irewunmi Olopade (F.IoD)	- Managing Director
Mr. Sunday O.S. Nwachukwu	- Finance Director
Alh. Mohammed Gobir	- Non-Executive Director (resigned 29/7/2013)
Dr. Onaolapo Soleye	- Non-Executive Director (resigned 19/11/2013
Alh. Lai Mohammed	- Non-Executive Director (resigned 31/12/2013)
Mr. Ernest C. Ebi (MFR)*	- Non-Executive Director (appointed 10/1/2014)
Mallam Ibrahim Isiyaku (SAN)*	- Non-Executive Director (appointed 10/1/2014)
Mr. Victor Ogiemwonyi	- Non-Executive Director (appointed 10/1/2014)

(NB: * indicates the Independent Non-Executive Directors)

Tenure

The tenure of the appointment of the new Non-Executive Directors is initially for the period which will expire at the next Annual General Meeting of the Company, at which time the shareholders will consider the ratification of their appointment for a further period of one (1) year. The re-election of a Non-Executive Director (NED) is subject to retirement by rotation of directors at the Annual General Meeting in accordance with the provisions of the Articles of Association of the company. Also, any director representing or holding ten percent (10%) or more of the issued ordinary shares of the Company, is exempted from re-election by rotation of directors in accordance with the Articles of Association of the Company.

Board Remuneration

The Remuneration of the Non-Executive Directors are fixed at the annual general meeting based on the recommendation of the Board, while the remuneration of Executive Directors' emoluments are fixed contractually. The Executive Directors are entitled to gross emoluments and do not receive annual board fees or sitting allowances. At the next annual general meeting, the Board of Directors have recommended that the annual board fees payable in year 2014 to the Non-Executive Directors be fixed in the sum of ₦8,000,000 and apportioned amongst them as the Board deems fit. The Company does not provide pension, gratuity, share options/incentives or retirement allowances to Non-Executive Directors.

2. **Board Committees**

In addition to the Statutory Audit Committee, the Board has four (4) other standing committees which enable the Board to effectively conduct its oversight functions on the Company's activities. The committees are:

- Governance and Remuneration Committee
- Business Development Committee
- Finance and Risk Management Committee
- Executive Management Committee

The committees are constituted in accordance with statutory requirements and Code of Corporate Governance with respective terms of reference and diversified membership. The committees render reports and recommendations to the Board for final decision making.

Governance and Remuneration Committee

The Committee was formerly known as the Establishment & Remuneration Committee and was recently changed to Governance and Remuneration Committee. The Committee is made up of three (3) members and chaired by a Non-Executive Director. The Committee met three (3) times during the year under review.

Membership

- Mr. Victor Ogiemwonyi - Non-Executive Director (Chairman, nominated 27/2/2014)
- Mr. Ernest C. Ebi (MFR)* - Non-Executive Director (Member, nominated 27/2/2014)
- Engr. Patrick Nwabunie (F.IoD) - Vice-Chairman /Non-Executive Director (Member, retained)
- Mr. Akinlola Irewunmi Olopade(F.IoD) - Managing Director (withdrawn 27/2/2014)
- Alh. Lai Mohammed - Non-Executive Director (resigned 31/12/2013)

The names of the members of the Committee who served during the period under review are listed in the table below, indicating the record of meetings held and attendance as follows:

S/N	Name	Status	Date of Meetings held			No. of meetings attended
			18th December 2012	25th March 2013	21st June 2013	
1	Engr. Patrick Osita Nwabunie (F.IoD)	Chairman/ Non-Executive Director	✓	✓	✓	3
2	Akinlola Irewunmi Olopade (F.IoD)	Member/Executive Director	✓	✓	✓	3
3	Alhaji Lai Mohammed	Member/ Non-Executive Director (resigned)	✓	✓	x	2

The function of the Committee includes:

i. Providing recommendations on the appointment of experienced Board members and executive directors, review of directors' contracts, etc.

ii. Assisting the management in developing and maintaining appropriate policies on directors' remuneration and make recommendations to the board on salaries, allowances and incentives for Executive Directors and senior management staff.

iii. Facilitating the establishment of a succession policy and plan for executive directors and Chairman

iv. Ensuring that performance assessment and review of employee welfare is conducted fairly and independently with respect to management staff

v. Providing guidance on board training requirements and policy formulation

Finance and Risk Management Committee

The Committee was formerly known as the Finance, Risk Management and General Purpose Committee and was recently changed to Finance and Risk Management Committee. The Committee is made up of three (3) members comprising two (2) Non-Executive Directors and one (1) Executive Director of the Company. The Committee is chaired by an Independent Non-Executive Director. The Committee met twice during the period under review.

Membership

- Mr. Ernest C. Ebi (MFR) - Non-Executive Director (Chairman, nominated 27/2/2014)
- Mr. Victor Ogiemwonyi - Non-Executive Director (Member, nominated 27/2/2014)
- Mr. Sunday O.S. Nwachukwu - Executive Director (Member, retained 27/2/2014)
- Engr. Patrick Nwabunie (F.IoD) - Non-Executive Director (withdrawn 27/2/2014)
- Alh. Mohammed Gobir - Non-Executive Director (resigned, 29/7/13)

The members of the Finance and Risk Management Committee during the period under review are listed in the table below, which also indicates the record of attendance at meetings held, as follows:

S/N	Name	Membership status	Date of Meetings held		No. of meetings attended
			25th March 2013	21st June 2013	
1	Alhaji Mohammed Gobir (resigned)	Chairman/Non - Executive Director	✓	x	1
2	Mr. Sunday O. S. Nwachukwu	Member/ Executive Director	✓	✓	**2**
3	Engr. Patrick O. Nwabunie (F.IoD)	Member/ Non-Executive Director	✓	✓	**2**

The role of the Committee involves advising the Management and Board on matters including:

i. Monitoring the cash flow, borrowings and other commitments and ensuring that action is taken to maintain this at an acceptable level.

ii. Reviewing and recommending investments, borrowing and contractual arrangements/ policies.

iii. Reviewing the risk profile, risk management policies, strategies, controls and reporting mechanism of the Company.

iv. Reviewing and monitoring the implementation of financial policies, controls and strategy periodically.

v. Reviewing the annual budget plan of the Company with Management

vi. Reviewing the periodic accounts, forecasts, business proposal and recommending approvals or adjustments

Business Development Committee

The Committee is made up of four (4) members comprising of two (2) Non-Executive Directors and two (2) Executive Directors of the Company. The Committee is chaired by an Independent Non-Executive Director.

Membership

- Mr. Idowu Iluyomade - Non-Executive Director (Chairman, nominated 27/2/2014)
- Mallam Ibrahim Isiyaku (SAN) - Non-Executive Director (Member, nominated 27/2/2014)
- Mr. Akin Ire Olopade (F.IoD) - Executive Director (Member, retained 27/2/2014)
- Mr. Sunday O.S. Nwachukwu - Executive Director (Member, nominated 29/4/2014)
- Alh. Mohammed Gobir - Non-Executive Director (resigned, 29/7/13)
- Alh. Lai Mohammed - Non-Executive Director (resigned, 31/12/13)

The members of the Committee during the period under review are listed in the table below and their attendance at the meeting disclosed accordingly. The Committee met once (1) during the period under review.

S/N	Membership /status	Date of Meetings held	No. of meetings attended
		25th March 2013	
1	Alhaji Lai Mohammed (resigned)	✓	1
2	Alhaji Mohammed Gobir (resigned)	✓	1
3	Akinlola Irewunmi Olopade (F.IoD)	✓	1

The responsibilities of the Committee include the following:

i. Developing and implementing strategic business development initiatives and ensuring initiatives are consistent with the corporate business plan, risk profile and approved budget as well as monitoring the performance of business initiatives.

ii. Reviewing and making recommendations to the Board on diversification opportunities.

iii. Advising on emerging issues related to business development, market conditions and challenges in business development opportunities.

Audit Committee

The responsibilities and functions of the Audit Committee are set out in Section 359(6) of the Companies and Allied Matters Act, CAP C20 LFN 2004 and the Securities and Exchange Commission Code of Corporate Governance for Public Companies in Nigeria, 2011.

Pursuant to Section 359(3) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the company has an Audit Committee comprised of two (2) representatives of the shareholders who were appointed at the last Annual General Meeting of the company and two (2) Non-Executive Directors of the company appointed by the Board. During the year under review, the Committee met four (4) times and the External Auditors, Internal Auditors and Finance Director were represented at the meetings as and when necessary.

Membership

- Mr. Meshach Masade - Chairman/Shareholder representative
- Mrs. Elizabeth Gbegbaje* - Shareholder representative (elected at AGM 26/6/2013)
- Mr. Tosin Odusanya - Shareholder representative (exited)
- Engr. Patrick Nwabunie (F.IoD) - Non-Executive Director (Member, retained)
- Alh. Lai Mohammed - Non-Executive Director (resigned, 31/12/13)
- Mallam Ibrahim Isiyaku (SAN) - Non-Executive Director (Member, nominated 27/2/2014)

The members of the Audit Committee who served during the period under review and the record of attendance at the Audit Committee meetings is provided in the table below as follows:

S/N	Name	Status	Dates of Meetings held				No. of meetings attended
			23rd October 2012	14th December 2012	24th April 2013	29th July 2013	
1	Mr. Meshach Masade	Chairman/ Shareholder representative	✓	✓	✓	✓	4
2	Mr. Tosin Odusanya	Shareholder representative	✓	✓	✓	N/A	3
3	Mrs. Elizabeth Gbegbaje	Shareholder representative	N/A	N/A	N/A	✓	1
4	Engr. Patrick Nwabunie (F.IoD)	Member/ Non - Executive Director	✓	✓	✓	✓	4
5	Alh. Lai Mohammed	Member/ Non - Executive Director (resigned)	✓	✓	✓	x	3

(NB*: Mrs. Elizabeth Gbegbaje was elected to the Audit Committee following the election of the shareholders' representatives on the Audit Committee, at the last Annual General Meeting held on 26th June 2013. Therefore, Mrs. Gbegbaje attended the last Audit Committee meeting held before the end of the financial year under review).

The role of the Audit Committee includes:

i. Assisting in monitoring the integrity of the financial reports and compliance with regulatory requirements.

ii. Monitoring the continuous implementation of adequate and effective internal control and audit system.

iii. Reviewing the audited accounts, management letters and monitoring the implementation of recommendations in conjunction with the external auditor and management.

iv. Maintaining the independence of the internal and external auditors in conducting the audit functions.

Executive Management Committee

The Executive Management Committee is made up of the senior management staff and Executive Directors of the Company. The Committee was recently established by the Board to identify and mitigate day to day issues affecting the Company, provide inputs and reports to the Executive Directors and the respective Board Committees, and ensure that the recommendations of the Board Committees are effectively implemented. The Committee meets frequently to enable them take decisive action within the confines of the powers of the Executive Directors.

The Company Secretary

The Company Secretary provides support and assistance to the Board of Directors in implementing the Code of Corporate Governance and developing relevant policies and practices. The Company Secretary ensures the uniform dissemination of information to members of the Board and maintain communication amongst Board members. The Company secretary is responsible for organising the Board meetings in conjunction with the directives of the Chairman and Managing Director, preparing the Board meeting calendar, as well as the administration of ancillary matters relating to the Board such as training and induction.

Independent Advice

The Board has the power to obtain advice and assistance from independent professional consultants and experts when deemed necessary to conduct its functions. Independent professional advice is available to directors when such advice is relevant to the effective performance of the functions of the Board and its Committees based on request and subject to Board approval.

Training and Induction

The Company ensures that members of the Board are provided with relevant training to assist them in fulfilling their duties. In ensuring that directors are kept up to date on the changing operating environment and financial reporting standards, all the Board members and members of the Audit Committee successfully participated in the IFRS Board and Audit Committee Members Training which took place within the first quarter of the financial year under review which was provided by external consultants and attended various workshops organised by the Nigerian Stock Exchange and other professional bodies. Furthermore, an induction programme is in place for new directors, which ensures that a new director is provided with core materials, historical antecedent of the company, introduction to the Company's business, senior management team and given an overview of the challenges facing the Company, amongst other matters.

Insider Trading

The Board has the ultimate responsibility for ensuring compliance with the Investment & Securities Act 2007 and any other applicable laws and regulations which prohibit the disclosure of price sensitive information, or dealing in shares of a public company with the knowledge of price sensitive information. The Directors, insiders and related persons who may have or receive price sensitive information are prohibited from dealing in the securities of the company where such actions would be deemed as insider trading.

Corporate Social Responsibility (CSR)

The Company is committed to fulfilling its role as a good corporate entity and adopting corporate social responsibility strategies that meet the requirements of the Company's CSR policy in relation to its operating environment. The Company generally identifies with the social, humanitarian and environmental challenges in the local communities. Currently, the major areas of focus for the Company's CSR policy are health, education, environment and sports. The core values of the Company listed below have remained sacrosanct to our corporate objectives and aspirations of building a better future for posterity:

- To operate with a profound regard for society
- To operate in an ethical manner and with integrity
- To respect basic human rights and help improve standards of living among the needy
- To treat employees with respect and fairness
- To help sustain the environment for the benefit of future generations

Charitable Gifts and Donations

In conformity with the Company's CSR policy and values, Afromedia believes in identifying with and giving to the needs of the community and the nation at large. The Company made charitable contributions in the sum of ₦3,800,000 during the year ended 30th September 2013 (2012: ₦7,252,000). The sum of ₦300,000.00 was donated to the Nigerian Model Achievers Awards and the sum of ₦3,500,000.00 was donated to the Sickle Cell Foundation of the International Inner Wheel, District 911 of Nigeria towards the surgery of adult sickle cell patients which is currently making significant and positive changes in the lives of the patients.

Employee Share-Ownership Scheme

The Company had established an employee share ownership scheme for the benefit of eligible staff who had attained the required length of meritorious service as an incentive scheme. The scheme is authorised to hold a specified percentage of ordinary shares of the Company for the benefit of eligible employees.

Unclaimed Dividend

The Company has a total sum of ₦4,410,079.65 unclaimed dividend as at 30th September 2013 in the care of the Registrars. The shareholders are strongly advised to contact the Registrars to collect their unclaimed dividend. The Company and Registrar are working towards raising awareness and ensuring the increase in the number of shareholders who subscribe to e-dividend. Therefore, Management encourages all shareholders to complete the e-dividend forms attached to the Annual Report and submit same to the Registrars with their updated information.

Investor Relations

The Company ensures that its website contains adequate and current information about the Company, as well as the published financial statements and annual reports. The website has a platform for the receipt of shareholders views and post comments. The Company ensures that adequate Notice of the Annual General Meetings is circulated and attendance at General Meetings is only permitted to shareholders or their duly appointed proxies, the appointment of which should be conveyed to the Registrars promptly, at least not less than 48 hours before each General Meeting. Furthermore, we encourage shareholders to attend Annual General Meetings and use the E-Mandate forms and Shareholder Data Update forms provided by the Registrars which are both included in this Annual Report to update their records.

Statement of Compliance

The Company is committed to observing the extant laws of the country, rules and principles of good corporate governance and substantially complies with statutory provisions of the Companies and Allied Matters Act CAP. C20, 2004, Investment and Securities Act 2007, the Rules and Regulations of the Securities and Exchange Commission (SEC), post listing requirements of the Nigerian Stock Exchange (Exchange) and Code of Corporate Governance for Public Companies in Nigeria 2011, in general.

Risk Management, Internal Audit/Internal Control Report

The Companies and Allied Matters Act CAP.C20, Laws of the Federation of Nigeria 2004 and Securities and Exchange Code of Corporate Governance both require the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit and loss. The responsibilities include ensuring that the Company establishes adequate risk assessment and management policies with adequate internal controls to safeguard its assets, prevent and detect fraud and other irregularities. The Company's internal control, risk management and compliance systems are operating effectively.

The directors have instituted a reliable internal control and audit system, which gives reasonable assurances against any material misstatement and loss, is also being maintained. Furthermore, the internal control/audit function ensures the continuous maintenance of compliance and review of internal control measures and policies in line with standard best practices. The Company has implemented International Financial Reporting Standards (IFRS) in the preparation of the 2013 audited financial statements contained in this Annual Report for its first time adoption of IFRS.

The independence of the internal control and audit function is maintained in line with good corporate governance and the internal auditor reports to the Audit Committee regularly.

TARGET

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AFROMEDIA PLC
Lagos, Nigeria

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its loss for the year ended 30 September 2013. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Akinlola Irewunmi Olopade (F.IoD)
Managing Director
FRC/2013/APCON/00000005577
30 December 2013

S.O.S. Nwachukwu
Finance Director
FRC/2013/ICAN/00000003987
30 December 2013

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFROMEDIA PLC

Report on the financial statements

We have audited the accompanying financial statements of Afromedia Plc, which comprise the statement of financial position as at 30 September 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information in pages 15-60.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Afromedia Plc as at 30 September 2013 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act no 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 33 to the financial statements which indicates that the Company incurred a net loss of ₦851 million for the year ended 30 September 2013 (2012: ₦4.5 billion) and as at that date, the Company has a negative working capital of ₦2.54 billion (2012: ₦1.96 billion). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFROMEDIA PLC - Continued

Report on Other Legal and Regulatory Requirements

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

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

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

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

Ernst & Young

Lagos, Nigeria

30 DECEMBER 2013

FRC/2012/ICAN/00000000138

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In compliance with Section 359(6) of the Companies and Allied Matters Act CAP.C20, LFN 2004, and Section 60(2) of the Investment and Securities Act 2007, we have reviewed the Audit report for the year ended 30th September 2013 and hereby state as follows:

- We examined the scope and planning of the audit for the year ended 30th September 2013 which was adequate in our opinion.
- We reviewed the External Auditors' Management letter for the year as well as the Management's response thereon.
- The internal control was being constantly and effectively monitored.
- We also ascertained that the accounting and reporting policies of the Company for the year ended 30th September 2013 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 30th September 2013 was adequate and Management's response to Auditors' findings thereon was satisfactory.

Dated 30th December 2013

Masade

Mr. Meshach Masade
FRC/2013/ICAN/00000002208
Chairman, Audit Committee

Members of the Committee:

- Mr. Meshach Masade - Chairman/Shareholder Representative
- Mrs. Elizabeth Gbegbaje - Shareholder Representative
- Engr. Patrick Nwabunie (F.IoD) - Non-Executive Director
- Alh. Lai Mohammed - Non-Executive Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	**2013 ₦'000**	2012 ₦'000
Turnover	4	742,907	1,644,060
Cost of sales	5	(444,853)	(1,231,411)
Gross profit		**298,054**	**412,649**
Other operating Income	6	14,496	6,218
Administrative expenses	7	(621,723)	(3,658,284)
Distribution expenses	8	(119,913)	(822,188)
Other operating expenses	9	(47,094)	(61,482)
Operating loss		**(476,180)**	**(4,123,087)**
Finance income	10	535	2,653
Finance costs	11	(375,296)	(356,462)
Loss before taxation		(850,941)	**(4,476,896)**
Income tax expense	12	(383)	(13,406)
Loss after taxation		**(851,324)**	**(4,490,302)**
Other Comprehensive Income			
Other comprehensive income that will not subsequently be reclassified to profit or loss			
Loss on available-for-sale investments (net of tax)		(4,899)	(9,156)
Actuarial (loss) and gain on defined benefit plans (net of tax)		(22,507)	3,518
Other comprehensive loss for the year, net of tax		(27,406)	(5,638)
Total comprehensive loss for the year, net of tax		**(878,730)**	**(4,495,940)**
Loss per share:			
Basic and diluted loss per share (kobo)	13	(19k)	(101k)

See notes to the financial statements.

	Notes	2013 ₦'000	2012 ₦'000	1 Oct 2011 ₦'000
ASSETS				
Non-current assets				
Property, plant and equipment	14	2,558,120	2,801,325	3,086,745
Intangible assets	15	335,888	358,816	1,285,575
Available for-sale investments	16	31,112	26,213	17,057
Deferred costs	17	34,788	43,486	221,904
		2,959,908	**3,229,840**	**4,611,281**
Current assets				
Inventories	19	219,964	220,766	229,150
Trade receivables	20	839,952	1,008,167	3,898,231
Prepayments	21	62,933	125,423	590,930
Loans and receivables	22	15,891	20,358	22,219
Deposit for investment	18	96,644	96,644	96,644
Cash and short-term deposits	23	4,462	229,664	6,637
		1,239,846	**1,701,022**	**4,843,811**
Total assets		**4,199,754**	**4,930,862**	**9,455,092**
Equity and liabilities				
Equity				
Issued share capital	24	2,219,524	2,219,524	2,017,748
Share premium	24	537,754	537,754	537,754
Revaluation reserve	24	2,312,618	2,312,618	2,312,618
Available for-sale reserve	24	(14,055)	(9,156)	-
Retained earnings	24	(5,149,866)	(4,276,035)	412,525
Total equity		**(94,025)**	**784,705**	**5,280,645**

STATEMENT OF FINANCIAL POSITION - Cont'd
AS AT 30 SEPTEMBER 2013

	Notes	2013 ₦'000	2012 ₦'000	1 Oct. 2011 ₦'000
Non-current liabilities				
Deferred tax liability	25	282,045	288,139	282,337
Staff retirement benefit	26	131,818	117,473	112,614
Financial liabilities	27	-	-	206,991
Provision for decommissioning	28	95,811	81,196	67,349
		509,674	**486,808**	**669,291**
Current liabilities				
Trade and other payables	29	1,731,948	1,525,385	1,567,459
Bank overdraft	23	1,500,762	1,185,690	746,700
Income tax payable	25	196,516	191,119	195,137
Current financial liabilities	27	291,111	291,111	260,770
Deferred revenue	30	63,768	466,044	735,090
		3,784,105	**3,659,349**	**3,505,156**
Total Liabilities		**4,293,779**	**4,146,157**	**4,174,447**
Total equity and Liabilities		**4,199,754**	**4,930,862**	**9,455,092**

Akinlola Irewunmi Olopade (F.IoD)
Managing Director
FRC/2013/APCON/00000005577

S.O.S. Nwachukwu
Finance Director
FRC/2013/ICAN/00000003987

See notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Issued capital ₦'000	Share premium ₦'000	Revaluation reserve ₦'000	Available-for-sale ₦'000	Retained earnings ₦'000	Total ₦'000
As at 1 October 2011	2,017,748	537,754	2,312,618	-	412,525	5,280,645
Loss for the year	-	-	-	-	(4,490,302)	(4,490,302)
Other comprehensive income	-	-	-	(9,156)	3,518	(5,638)
Bonus issue	201,776	-	-	-	(201,776)	-
As at 30 September 2012	**2,219,524**	**537,754**	**2,312,618**	**(9,156)**	**(4,276,035)**	**784,705**
As at 1 October 2012	2,219,524	537,754	2,312,618	(9,156)	(4,276,035)	784,705
Loss for the year	-	-	-	-	(851,324)	(851,324)
Other comprehensive income	-	-	-	(4,899)	(22,507)	(27,406)
As at 30 September 2013	**2,219,524**	**537,754**	**2,312,618**	**(14,055)**	**(5,149,866)**	**(94,025)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	**2013**	2012
		₦'000	₦'000
Operating activities			
Cash receipts from customers		523,552	1, 582,358
Payment to suppliers		(640,105)	(1,169,563)
VAT Paid		-	(6,973)
Staff retirement benefits paid	26	(5,340)	(6,000)
Income tax paid	25	(1,080)	(11,622)
		---------------	---------------
Net cash flows (used in) / from operating activities	32	**(122,973)**	**388,200**
		---------------	---------------
Investing activities			
Purchase of property, plant and equipment	14	(43,953)	(59,118)
Purchase of intangible assets	15	(30,653)	(65,364)
Finance income	10	535	2,653
Interest received	6	1,996	-
Dividend received	6	-	6,218
		---------------	---------------
Net cash flows used in investing activities		**(72,075)**	**(115,611)**
		---------------	---------------
Financing activities			
Loan repaid		-	(176,650)
Interest paid	11	(345,226)	(311,902)
		---------------	---------------
Net cash flows from financing activities		**(345,226)**	**(488,552)**
		---------------	---------------
Net decrease in cash and cash equivalents		(540,274)	(215,96)
Cash and cash equivalents at the beginning of the year		(956,026)	(740,063)
		---------------	---------------
Cash and cash equivalents at the end of the year	23	**(1,496,300)**	**(956,026)**
		---------------	---------------

See notes to the financial statements.

1. CORPORATE INFORMATION

Afromedia Plc was incorporated on 28 October 1959 as a private Limited Liability Company in accordance with the provisions of the Companies Act. The company was converted to a public Limited Liability Company on 2 July 2008 in accordance with the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004. The registered office of the Company is located at Kilometer 21, Badagry Expressway, Araromi, Ajangbadi, Lagos.

The principal activity of the Company is Out-of-Home media. There was no change in the nature of business of the Company during the year.

2.1 Basis of preparation and adoption of IFRS

The financial statements of Afromedia Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements also complies with the requirements of the Companies and Allied Matters act, CAP C20 Laws of the Federation of Nigeria 2004.

These are Afromedia Plc's first financial statements prepared in accordance with IFRS and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. Afromedia Plc previously applied Statement of Accounting Standards (SAS) issued by the Financial Reporting Council of Nigeria. Subject to certain transition elections disclosed in Note 3.1, Afromedia Plc has consistently applied the same accounting policies in its opening IFRS statement of financial position at 1 October 2011 (date of transition) and throughout all periods presented, as if these policies had always been in effect. Note 3.1 disclose the impact of the transition to IFRS on Afromedia Plc Reported Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows.

Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand unless stated otherwise.

Significant accounting judgement, estimates and assumptions

Afromedia Plc is currently undergoing some going concern uncertainties as noted in Note 33. Even though these uncertainties are present the financial statements are still being prepared on going concern basis. The preparation of its 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 and liabilities, revenue and expenses and the accompanying disclosures, and disclosure of the contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant accounting judgements, estimates and assumptions made by management for the preparation of the financial statements for which changes could have material impact on the reported amounts in the financial statements are summarised below:

Judgements

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

Accounts receivable

The allowance for doubtful accounts involves management judgment and review of individual receivable balances based on an individual customer's prior payment record, current economic trends and analysis of historical bad debts of a similar type.

Property, plant and equipment and Intangible assets

Judgments are utilised in determining the depreciation and amortisation rates, revaluation and useful lives of these assets and in calculating the amount of interest to capitalize against projects in progress at the end of the period. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the summarised accounting policies.

Estimates and assumptions

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Some key assumptions are used to determine the recoverable amount for the different CGUs, including a sensitivity analysis.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities.

Further details of taxes are disclosed in Note 12 and 25.

Fair value of financial instruments

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

Gratuity Benefits

The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The discount rate is determined on the company's reporting date by reference to market yields on high quality Government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme.

2.2 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The company is currently assessing the impact that these standards will have on the financial position and performance.

The company intends to adopt these standards when they become effective.

Standard	Content	Effective year
IFRS 9	Financial instruments	1-Jan-15
IFRS 10	Investment entities amendment	1-Jan-14
IAS 32	Offsetting financial assets and financial liabilities-amendments to IAS 32	1-Jan-14
IFRIC 21	Levies	1-Jan-14
IAS 39	Novation of Derivatives and continuation of hedge accounting-Amendments to IAS 39	1-Jan-14
IAS 36	Disclosure requirements for recoverable amount of impaired assets amendment	1-Jan-14
IAS 19	Defined benefits plans - Employee contributions amendment	1-Jan-14
Improvements to IFRS (2010-2012 cycle)		1-Jul-14
Improvements to IFRS (2011-2013 cycle)		1-Jul-14

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of the Company's financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Company, since none of the entities in the Company would qualify to be an investment entity under IFRS 10.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Company.

IFRIC Interpretation 21 Levies (IFRIC 21)
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Company does not expect that IFRIC 21 will have material financial impact in future financial statements.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Company has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to

impact the Company's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

2.3. **Summary of significant accounting policies**

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

2.3.1 **Foreign currency translation**

Transactions in foreign currencies are translated to the respective functional currencies of Afromedia Plc at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot exchange rate at that date.

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

2.3.2 **Intangible Assets**

Research and development cost

Development costs capitalised include all costs related to the development, modification or improvement to street lamp ranges in connection with contract proposals having a strong probability of success. Development costs also include the design and construction of models and prototypes.

The research and development cost shall be recognised if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

Concession Right, License fees and Computer software

The concession right and license fees are amortised over the concession and license period. Only individualised and clearly identified software is capitalised and amortised over a certain period depending on the company usage of the software.

2.3.3 **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss includes expenditures that are directly attributable to the acquisition of the asset except that of hoarding equipment which is carried at revalued amount. Cost prices include costs directly attributable to the acquisition of property, plant and equipment, as well as any subsequent expenditure when it is probable that future economic benefits associated with the item will flow to the company and the expenditure can be measured reliably. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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

Depreciation is charged to profit and loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the date that the asset is derecognised.

Hoarding equipment is measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The estimated useful lives for the current and corresponding periods are as follows:

Land		Nil
Building		50 years
Hoardings (Steel)	–Conventional	8 years
	Tower	20 years
	Fixtures and fittings	10 years
Motor vehicles		4-6years
Plant, furniture and equipments -		
	- Plant and machinery	5-7 years
	- Office furniture, fixtures and fittings	8-10 years
	- Household furniture, fixtures and fittings	3-5 years
	- Office equipment	4-6 years
	- Refurbishment	2-3 years

If the expected residual value is equal to or greater than the carrying value, no depreciation is provided for. The residual values, estimated useful lives of the assets and depreciation methods are reviewed at each reporting position date and adjusted as appropriate. Property and equipment is included in the net asset value of cash generating units for impairment testing purposes.

Property plant and equipment are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The differences between the carrying amounts at the date of de-recognition and any disposal proceeds, as applicable, is recognised in the Statement of profit or loss and other comprehensive Income.

On revaluation of property, plant and equipment, a revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

2.3.4 **Basic/ diluted (loss)/ earnings per share**

The Company presents basic/ diluted(loss)/ earnings per share (EPS) data for its ordinary shares.

Basic (loss)/ earnings per share is calculated by dividing the (loss)/ profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted(loss)/ earnings per share is calculated by dividing the (loss)/ profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding as at year of dilution.

2.3.5 **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists or in the case of indefinite life intangibles, then the asset's (CUG'S) recoverable amount is estimated and impairment recognised.

For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash-generating units (CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Afromedia evaluates impairment losses for potential reversals when events or circumstances may indicate such consideration is appropriate. The increased carrying amount of an asset other than amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. Impairment losses and impairment reversals are recognised in profit and loss.

2.3.6 **Inventories**

Inventories mainly consist of parts necessary for the maintenance of installed street lamp, street lamp or billboards in kit form or partially assembled (work in progress). Inventories are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in bringing inventories to their present location and condition.Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

2.3.7 **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.The Company recognises financial assets and financial liabilities on the Company's statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition.

All financial assets and liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss

Financial Assets

Nature and measurements

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Available-for-sale financial assets

These are the Company's investments in equity securities which are neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, available-for-sale financial investments are measured at fair value less impairments with unrealised gains or losses recognised in the available-for-sale reserve through other comprehensive income until the investment is derecognised, at which time the cumulative gain or loss is reclassified to profit or loss as a reclassification adjustments, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for sale reserve to the profit or loss.

Available for sale investments are derecognised when they are sold or considered impaired. Gains or losses are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at the amount expected to be received, less, when material, a discount to reduce the receivables to fair value.After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortisation is included in finance income in the profit or loss. Gains and losses are recognised in the profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. Included in this classification are personal loans given to employees. Loans and receivables are derecognised when extinguished.

Trade receivables

Trade receivables are recognised initially at fair value as the invoice amount and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The Company deploys age analysis tools to track the payment pattern of customers. The carrying amount of trade receivable is reduced through the use of an allowance account. When trade receivable is uncollectable, it is written off impairments in administrative expenses in profit or loss. Subsequent recoveries of amounts previously written off are included as 'bad debt recoveries' in other operating income in the profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purpose of Cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts (if any).

Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset can be reliably estimated. In the case of trade receivables, allowance for impairment is made where there is evidence of a risk of non- payment, taking into account ageing, previous experience and general economic conditions.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For available for sales financial assets, impairment is recognised due to significant or prolonged decline in the fair value. Once there is a prolonged decline, any balance in available for sale reserve is recycled to profit or loss. Impairment loss is recognized in profit or loss. Impairment loss on available for sale financial asset is not reversed in profit or loss.

Derecognition of financial assets

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

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

b) The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

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

When the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Financial liabilities

Nature and measurements

The company's financial liabilities include trade payables and borrowings.

Trade payables

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

Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the profit or loss.

Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

2.3.8 Taxes

Current income and Education taxes

Current income and education taxes assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in Nigeria. Where necessary, current income and education taxes assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income and education taxes relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

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

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

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

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

2.3.9 **Provisions and contingent liabilities**

A provision is recognised if, as a result of a past event, the 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, where appropriate, the risks specific to the liability.

Dismantling cost provision

Costs for decommissioning the Company's Hoardings at the end of a contract are recorded in provisions, where a contractual dismantling obligation exists either as a result of contractual agreement or constructive obligation. Dismantling costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the dismantling liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss and other comprehensive income as a finance cost. The estimated future costs of dismantling are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. Dismantling costs are offset under assets in the statement of financial position and amortised over the term of the contract. The discounting charge is recorded as a financial expense.

Contingent liabilities

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

2.3.10 Share capital and reserves

Share issue cost

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

Dividend on the Company's ordinary shares

Dividends on ordinary shares are recognised as a liability when they are approved by the Company's shareholders at the Annual General Meeting.

Interim dividends are recognised, when they are paid. Dividends for the year that are approved after the reporting date are disclosed in the financial statements as a non-adjusting event.

2.3.11 Employee benefits

Pension scheme

In line with the Pension Reform Act 2004, the company and its employees each contribute 7.5% of basic salary, housing and transport allowances to statutory retirement benefits plans for the benefits of its qualifying staff. The Pension funds which are defined contribution plans are independently administered with no obligations on the company other than the defined contribution as a percentage of employees' qualifying remunerations. Both employees' and the company's share of the contributions are charged as staff cost in the administrative expenses in the profit and loss when the employee renders the service.

Gratuity scheme

The employee gratuity scheme is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in other Profit or Loss.

The defined benefit liability comprises the present value of the defined benefit obligation less past service costs not yet recognised. The gratuity scheme is not funded and there is no plan asset attached to the scheme.

2.3.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding tax, duties, returns, customer discounts and other customer related discounts. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The company has concluded that it is acting as a principal in all of its revenue arrangements.

Sale of goods

Afromedia revenue comprises the fair value of the consideration received or receivable from the sale of advertising space on street furniture equipment and billboards in the ordinary course of the company's activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts. Revenue is recognized when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. Advertising space revenue, rentals and services provided are recorded as revenues on a straight-line basis over the realization period of the transaction. The unrealized portion of the transaction is deemed deferred and treated as a liability in the financial statements. Deferred revenue is a liability related to revenue producing activity for which revenue has not yet been recognized.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

2.3.13 Expenses

Operating lease payment

Payments and lease incentives 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.

Finance lease payments

Minimum lease payments 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. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Interest expense

Interest expenses are recognised as they accrue in profit or loss, using the effective interest method unless collectability is in doubt.

2.3.14 Segment information

For management purposes, the company is organised into business units based on their operations and has two (2) reportable segments as follows:

1. Transit: The transit business comprises all the airport advertising

2. Road Side: The road sides comprise the street furniture and billboard advertising

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in relation to the profit and loss of the company. Financing (including finance costs and finance income) and income taxes are managed at corporate level and are not allocated to operating segments. The segments managers are assessed based on the performance on sales and cost of sales. They do not have control over the assets and liabilities. Segments results are as shown below:

30 September 2012

Business segment	**Transit**	Road-Side
	₦'000	₦'000
Revenue	-	1,644,060
Cost of sales	-	(1,231,411)
	---------------	---------------
Gross profit	-	412,649
	========	========

30 September 2013

Business segment	**Transit**	**Road-side**
	₦'000	₦'000
Revenue	-	742,907
Cost of sales	-	(444,853)
	---------------	---------------
Gross profit	-	298,054
	========	========

2.3.15 Financial instrument's risk management objectives and policies

The company deploys a number of financial instruments (financial assets and financial liabilities) in carrying out its activities. The key financial liabilities of the company comprise bank borrowings and trade payables which are deployed purposely to finance the company's operations and to provide liquidity to support the Company's operations. The financial assets of the Company include available-for-sale investments, trade receivables, loans and receivables, and cash and short-term deposits also necessarily required for the operations of the Company.

The principal risks that Afromedia Plc is exposed to as a result of holding the above financial instruments include credit risk, liquidity risk and market risk. The senior management of the company oversees the management of these risks through the establishment of adequate risk management framework with appropriate approval process, internal control and authority limits. Thus, the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with those policies. The Board of Directors which is responsible for the overall risk management of the Company reviews and agrees policies for managing each of these risks inherent in its involvement in financial instruments as summarized below:

Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract leading to a financial loss to the Company. The sources of the Company's credit risk include trade receivables, staff loans and deposits with banks and financial institutions.

Trade receivables

Customer credit risk is managed by Credit Managers and management as a whole subject to the company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and any deliveries to major customers are generally covered by valid customer order. Customer backgrounds are studied to protect the Company against credit risk.

Staff loans

Staff loans are also secured by employee salaries, pensions and retirement benefits. Deductions are made at source on monthly basis until the loans are made good.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as below:

The Company evaluates the concentration of risk with respect to trade receivable as low.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by MD in accordance with the Company's policy. Investments of surplus funds are only made with approved counterparties and within credit limits assigned to each counterparty. The policies are set and reviewed by the Board annually. The Company's maximum exposure to credit risk for the components of the statement of financial position at 30 September 2013 and 2012 is the carrying amounts as illustrated in Note 23.

Liquidity risk

Liquidity risk is the risk that the Company is unable to pay its obligations when they fall due. The Company monitors its risk to a shortage of funds using a recurring liquidity planning and continuous budget tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Board of Directors defines the Company's liquidity policy annually.

The Company's liabilities are more than its assets, this creates a funding gap. The table below summarises the maturity profile of the Company's financial liabilities:

Year ended 30/09/13	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total ₦'000
Current financial liabilities	291,111	-	-	-	-	291,111
Bank overdrafts	1,500,762	-	-	-	-	1,500,762
Trade and other payable	1,731,948	-	-	-	-	1,731,948
	3,523,821	-	-	-	-	3,523,821

Year ended 30/09/12	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total ₦'000
Current financial liabilities	-	-	291,111	-	-	291,111
Bank overdrafts	1,185,690	-	-	-	-	1,185,690
Trade and other payable	1,525,385	-	-	-	-	1,525,385
	2,711,075	-	291,111	-	-	3,002,186

The table below show financial instruments by their measurement bases:

As at 30/09/2013	**Trade receivables/ Loans and advances/ Liabilities at amortised cost**	**Available for sale financial assets**	**Carrying value**
	₦'000	**₦'000**	**₦'000**
Trade and other receivables	839,952	-	839,952
Cash and short-term deposits	4,462	-	4,462
Available-for-sale investments	-	31,112	31,112
Loans and advances	15,891	-	15,891
Total financial assets	860,305	31,112	891,417
Trade and other payables	1,731,948	-	1,731,948
Short-term borrowings	291,111	-	291,111
Total financial liabilities	2,023,059	-	2,023,059

As at 30/09/2012	**Trade receivables/ Loans and advances/ Liabilities at amortised cost**	**Available for sale financial assets**	**Carrying value**
	₦'000	**₦'000**	**₦'000**
Trade and other receivables	1,008,167	-	1,008,167
Cash and short-term deposits	229,664	-	229,664
Available-for-sale investments	-	26,213	26,213
Loans and advances	20,358	-	20,358
Total financial assets	1,258,189	26,213	1,284,402
Trade and other payables	1,525,385	-	1,525,385
Short-term borrowings	291,111	-	291,111
Total financial liabilities	1,816,496	-	1,816,496

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates. The Company manages this risk by ensuring significant portion of its loans are contracted on fixed interest rate.

Interest rate volatility

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

	Increase/ decrease In basis points	Effect on loss before tax ₦'000
2013	+100	(4,940,501)
	-100	4,042,229
2012	+100	(937,626)
	-100	767,148

There is no other impact on equity.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments.

Reports on the equity portfolio are submitted to the Company's Senior Management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was ₦31,112,000. A decrease of 10% on the NSE market index could have an impact of ₦3,111,200 approximately on the income or equity attributable to the Company, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact equity, but would not have an effect on profit or loss.

Capital management

Capital includes equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value.

The company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital on the transition date and during the years ended 30 September 2012 and 30 September 2013.

	2013 ₦'000	2012 ₦'000	2011 ₦'000
Financial liabilities	291,111	291,111	467,761
Trade and other payables	1,731,948	1,525,385	1,567,459
Bank overdrafts	1,500,762	1,185,690	746,700
Less: cash	(4,462)	(229,664)	(6,637)
	---------------	---------------	---------------
Net debt	**3,519,359**	**2,772,552**	**2,775,283**
	---------------	---------------	---------------
Capital-Equity	(94,025)	784,705	5,280,645
Gearing ratio	(37.43)	3.53	0.53

2.3.16 House Ownership Scheme

The company operates an employee house ownership scheme paid to employees with over 10 years in service. The company's contribution to the scheme is treated as deferred costs; amount falling due within 12 months is reclassified to prepayment in the financial statements. Amortisation is based on the qualifying period of 10 years and is charged to profit or loss over this period.

2.4 First-time adoption notes

For all periods up to and including the year ended 30 September 2012, the Company prepared its financial statements in accordance with Generally

Accepted Accounting Practice (GAAP). The financial statements for the year ended 30 September 2013 are the first the Company will prepared in accordance with International Financial Reporting Standards (IFRS). The Company has applied IFRS 1 in preparing these financial statements.

In preparing these financial statements, the opening statement of financial position was prepared as at 1 October 2011, the Company's date of transition to IFRS. This note explains the principal adjustments made in restating the previous GAAP statement of financial position as at 1 October 2011 and its previously published GAAP financial statements for the year ended 30 September 2012. The exceptions under IFRS 1 not to retrospectively apply certain IFRS at the transition date have been fully applied.

2.4.2 **Exemptions applied**

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the full retrospective application of IFRSs. The Company has elected to apply the following exemptions:

Investment

The Company has elected to designate investments in quoted equity instruments as available-for-sale financial assets at the date of transition to IFRS despite the fact that such investments were not hitherto classified as such under Nigerian GAAP.

Decommissioning liabilities included in the cost of property, plant and equipment

Under IAS 16 the cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

An entity accounts for changes in decommissioning liability in accordance with IFRIC1, that requires specified changes in a decommissioning, restoration or similar liability to be added or deducted from the cost of the asset to which it relates.

IFRS 1 provides an exemption for changes that occurred before the date of transition to IFRS and prescribes an alternative treatment if the exemption is used.

A decommissioning liability is measured in accordance with IAS 37 at the date of transition to IFRS, and an estimate of the amount to include in the cost of the asset when the liability first arose is made at the date of transition to IFRS.

A decommissioning liability is measured at the date of transition to IFRS, and any difference between this amount and the previous GAAP carrying amount is recognised in retained earnings.

2.4.3 **Explanation of first time adoption of IFRS**

These are the Company's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 30 September 2013, the comparative information presented in these financial statements for the year ended 30 September 2012 and in the preparation of an opening IFRS statement of financial position at 1 October 2011 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Nigerian Generally Acceptable Accounting Principles. An explanation of how the transition from previous GAAP to IFRSs has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

3.1 Reconciliation of statement of financial position as at 1 October 2011

	Notes	Local GAAP	Re-measurements	1 October 2011 IFRS
		₦'000	₦'000	₦'000
Non-current assets				
Property, plant and equipment	A	2,179,863	906,882	3,086,745
Intangible assets		1,285,575	-	1,285,575
Available for sale financial assets		17,057	-	17,057
Investment in subsidiary	B	221,724	(221,724)	-
Prepayments		221,904	-	221,904
		3,926,123	685,158	4,611,281
Current assets				
Inventories		229,150	-	229,150
Trade receivables		3,898,231	-	3,898,231
Prepayments		590,930	-	590,930
Loans and receivables	C	26,635	(4,416)	22,219
Deposit for investment		96,644	-	96,644
Cash and cash equivalent		6,637	-	6,637
		5,069,951	(226,140)	4,843,811
Total assets		8,774,350	680,742	9,455,092
Equity				
Issued share capital		2,017,748	-	2,017,748
Share premium		537,754	-	537,754
Revaluation reserve	D	1,727,088	585,530	2,312,618
Revenue reserve	E	582,965	(170,440)	412,525
Total equity		4,865,555	415,090	5,280,645
Non-current liabilities				
Deferred tax liabilities	F	31,396	250,941	282,337
Staff retirement benefit	G	158,003	(45,389)	112,614
Financial liabilities		206,991	-	206,991
Provisions	H	-	67,349	67,349
		396,390	272,901	669,291
Current liabilities				
Trade and othe payables		1,567,459	-	1,567,459
Bank overdraft		746,700	-	746,700
Income tax payable		195,137	-	195,137
Current financial liabilities	I	268,019	(7,249)	260,770
Deferred revenue		735,090	-	735,090
Total Current Liabilities		3,512,405	(7,249)	3,505,156
Total Equity and Liabilities		8,774,350	680,742	9,455,092

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3.2 Reconciliation of statement of financial position as at 30 September 2012

	Notes	Local GAAP ₦'000	Re-measurements ₦'000	30 Sept. 2012 IFRS ₦'000
Non-current assets				
Property, plant and equipment	A	1,995,163	806,162	2,801,325
Intangible assets		358,816	-	358,816
Available for sale financial assets		26,213	-	26,213
Investment in subsidiary	B	210,537	(210,537)	-
Prepayments		43,486	-	43,486
		2,634,215	595,625	3,229,840
Current assets				
Inventories		220,766	-	220,766
Trade receivables		1,008,167	-	1,008,167
Prepayments		125,423	-	125,423
Loans and receivables	C	22,121	(1,763)	20,358
Deposit for investment		96,644	-	96,644
Cash and cash equivalent		229,664	-	229,664
		1,702,785	(1,763)	1,701,022
Total assets		4,337,000	593,862	4,930,862
Equity				
Issued share capital		2,219,524	-	2,219,524
Share premium		537,754	-	537,754
Revaluation reserve	D	1,727,088	585,530	2,312,618
Available-for-sale reserve		-	(9,156)	(9,165)
Revenue reserve	E	(4,034,422)	(241,613)	(4,276,035)
Total equity		449,944	334,761	784,705
Non-current liabilities				
Deferred tax liabilities	F	65,095	223,044	288,139
Staff retirement benefit	G	166,380	(48,907)	117,473
Provisions	H	-	81,196	81,196
		231,475	255,333	486,808
Current liabilities				
Trade and other payables		1,519,747	5,638	1,525,385
Bank overdraft		1,185,690	-	1,185,690
Income tax payable		191,119	-	191,119
Current financial liabilities	I	292,981	(1,870)	291,111
Deferred revenue		466,044	-	466,044
Total Current Liabilities		3,655,581	3,768	3,659,349
Total Equity and Liabilities		4,337,000	593,862	4,930,862

3.3 Reconciliation of total profit or loss for the year ended 30 September 2012

	Notes	LOCAL GAAP ₦'000	Re-measurements ₦'000	IFRS ₦'000
Revenue		1,644,060	-	1,644,060
Cost of sales	A	(1,127,401)	(104,010)	(1,231,411)
Gross profit		516,659	(104,010)	412,649
Other operating income		6,218	-	6,218
Administrative expenses	B	(3,672,989)	14,705	(3,658,284)
Distribution expenses		(822,188)	-	(822,188)
Other operating expenses		(63,310)	1,828	(61,482)
Net operating expenses		(4,552,269)	16,533	(4,535,736)
Operating loss		(4,035,610)	(87,477)	(4,123,087)
Finance income	C	-	2,653	2,653
Finance costs	J	(338,697)	(17,765)	(356,462)
		(338,697)	(15,112)	(353,809)
Loss before taxation		(4,374,307)	(102,589)	(4,476,896)
Income tax expense		(41,303)	27,897	(13,406)
Loss for the year		(4,415,610)	(74,692)	(4,490,302)

Material adjustments to the statement of cash flows for 2012

There are no material differences between the statement of cash flows presented under IFRSs and the statement of cash flows presented under previous GAAP.

3.4 **Notes to the Reconciliations**

A. **Property, Plant and Machinery**

Under the local GAAP, there was no provision for dismantling of the company's Billboards which is a constructive obligation based on the nature of Afromedia Plc's business. The cost of dismantling the billboard has been discounted and debited to –the Company property, plant and equipment as at 1 October 2011 and the additional depreciation on hoardings as a result of the dismantling cost is recognised in cost of sale in 30 September 2012.

The breakdown of the adjustment is shown below:

	30 September 2012 ₦'000	1 October 2011 ₦'000
Revaluation surplus on hoardings	836,471	836,471
Cost of dismantling hoarding equipment	68,810	67,349
Depreciation on hoardings	(104,010)	-
	801,271	**903,820**

B. **Investment in subsidiary**

Under the local GAAP, the investments in subsidiaries were recognised at cost. These should never have been treated as investment initially but as receivables which have now been fully impaired. This resulted to an impairment loss of ₦221,724,438 in 1 October 2011 and ₦210,537,000 in 30 September 2012. The errors have been effected in revenue reserve in 1 October 2011 and administrative expenses in 30 September 2012.

C. **Loans and receivables/ Finance income**

The loans to the staff were given at a no interest rate under Local GAAP. Under IFRS loans are to be measured at their fair value on initial recognition. The fair value of the loans given to the staff has been amortised over the period of the loan. The resulting adjustment has been made to revenue reserve at the date of transition and to the finance income in 2012.

D. **Revaluation reserve**

Under the local GAAP, the last revaluation of Hoardings carried at revaluation model was done in 2007. Under IFRS, revaluation of assets carried at fair value should be done with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value.

The new revaluation conducted and recognised in 1 October 2011 resulted in a revaluation reserve of ₦585,530,000 net of deferred tax.

E. **Revenue reserve**

At the date of transition, all re-measurements affecting items in profit or loss and other comprehensive income were charged to revenue reserve. This accounts for the adjustment of ₦170,440,465.

F. **Deferred tax**

The various transitional adjustments created temporary differences. According to the accounting policies in Note 2.3.9 the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in revenue reserve or a separate component of equity.

G. **Staff retirement benefit**

Under Local GAAP, the Company recognised costs related to its gratuity plan on a basis of the Company's policy. Under IFRS, employees' benefit liabilities are recognised on an actuarial basis. The liability has been recognised in full against revenue reserve as at transition date and to the administrative expenses in 2012.

H. **Provisions**

Under the local GAAP, the provision for dismantling Hoardings was not recognised. Under IFRS, the restatement of the provision involves the recognition of a discounted provision to cover all dismantling costs and the discounting of the provision. It results in a ₦67,349,000 in 1 October 2011 and ₦81,196,000 in 30 September 2012.

I. **Financial liabilities (current)**

Under the local GAAP the transaction fees on bank loans were expensed in the periods that the transactions took place. Under IFRS, the fees paid on a loan are deducted from the gross amount of the loan which will be deferred over the period of the loan. The transaction fees recorded on the loans have been derecognised against revenue reserve.

J. **Finance costs**

Under the local GAAP, there was no recognition of provision for dismantling billboards and hence no unwinding of discount was recognised, but under IFRS the unwinding of discount on dismantling resulted to a discounted finance cost of ₦12,385,807 in 30 September 2012.

Also included in the finance cost is the additional interest as a result of amortising loans using effective interest rate (See note D above).

		2013 ₦'000	2012 ₦'000
4	**Turnover**		
	Analysis by operations:		
	Transit unit	-	-
	Road-side unit	742,907	1,644,060
		---------------	---------------
		742,907	1,644,060
		========	========

		2013 ₦'000	2012 ₦'000
5	**Cost of sales**		
	Advertisement concession fees	-	520,699
	Agency discount	6,879	50,349
	Commissions	6,416	13,856
	Depreciation on hoardings	239,978	282,970
	Hoarding advertisement permit fees	112,603	100,507
	Hoarding repairs	66,282	34,491
	Labour cost	10,673	10,129
	Site rentals	-	212,857
	Others	2,022	5,553
		---------------	---------------
		444,853	**1,231,411**
		========	========
6	**Other operating income**		
	Dividend received (Note 6a)	-	6,218
	Miscellaneous (Note 6b)	12,500	-
	Interest received (Note 6c)	1,996	-
		---------------	---------------
		14,496	**6,218**
		========	========

6a The dividend received relates to some of the Company's quoted investment in each financial year.

6b This represents income relating to antennal mounting services.

6c This represents interest from fixed bank deposit.

		2013 ₦'000	2012 ₦'000
7	**Administrative expenses**		
	Staff cost	202,208	384,185
	Other admin expenses (Note 7a)	419,515	3,274,099
		621,723	3,658,284
7a	**Other administrative expenses**		
	Audit fee	6,000	6,000
	Donations and subscriptions	6,656	6,122
	Doubtful debt/ loss of investments (Note 7a.1)	(17,094)	2,742,877
	Electricity and power	26,411	24,712
	Information & communication technology	4,129	8,366
	Insurance	1,994	1,652
	Legal & other professional fee	45,435	90,253
	Rent and rates	4,256	13,620
	Repairs and renewal	31,907	22,896
	Research and development	8,296	522
	Secretarial fees	13,310	14,569
	Stationery, postage and telephone	8,877	12,240
	Training	8,911	6,534
	Travelling expenses	156,034	204,039
	Vehicle running expenses	114,393	119,697
		419,515	**3,274,099**

7a.1 The prior year impairment includes the impairment of receivables Promo World (one of the Company's major customers) of ₦2,625,607,000 whose recoverable amount is Nil.

		2013 ₦'000	2012 ₦'000
8	**Distribution expense**		
	Vehicle running expenses	3,881	4,273
	Travelling expenses	14,084	6,177
	Stationery	2	6
	Pre-structural development (Note 8a)	84,811	760,940
	Promotions	16,979	50,648
	Area offices rent & rates	156	144
		119,913	**822,188**

8a The pre-structural development expenses are previously capitalised as research and development cost but now expensed as the underlying projects are no longer feasible.

		2013 ₦'000	2012 ₦'000
9	**Other operating expenses**		
	Building depreciation	8,392	8,392
	Furniture & office equipment depreciation	27,963	29,163
	Management vehicle depreciation	5,419	15,008
	Plant & machinery depreciation	5,320	8,919
		---------------	---------------
		47,094	**61,482**
		========	========
10	**Finance income**		
	Interest income on loan to staff at fair value	535	2,653
		====	=====

The loan given to staff are amortised using the effective interest rate of 18% which is the discount rate obtained from a loan given to the Company at fair value .

		2013 ₦'000	2012 ₦'000
11	**Finance costs**		
	Interest on debts and borrowings	345,226	311,902
	Unwinding of discount on decommissioning provisions	14,615	12,386
	Bank charges	15,455	32,174
		---------------	---------------
		375,296	356,462
		========	========
12	**Income tax**		
	Current year income tax charge (Note 25a)	6,477	7,604
		---------------	---------------
		6,477	7,604
	Deferred tax relating to origination of temporary difference	(6,094)	5,802
		---------------	---------------
	Total income tax expense reported in the profit and loss	**383**	**13,406**
		========	========

12a Reconciliation of effective tax rate

	2013 ₦'000	2012 ₦'000
Loss before taxation	(852,004)	(4,477,959)
Tax at Nigeria statutory income tax of 30%	255,601	1,343,388
	---------------	---------------
	(596,403)	(3,134,571)
Disallowable expenses	320,813	2,996,607
Impact of capital allowance	72,379	8,094
Effect of Minimum tax	203,594	143,276
	---------------	---------------
	383	**13,406**
	========	========

13 Basic/ diluted loss per share

Basic loss per share amount are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amount are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the diluted year.

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

	2013 ₦'000	2012 ₦'000
Net loss attributable to ordinary equity holders	(851,324)	(4,490,302)
	========	========

Weighted average number of ordinary shares for basic loss per share

	Number '000	Number '000
Issued ordinary shares at 1 October	4,439,047	4,035,497
Bonus issue during the year	-	403,550
	---------------	---------------
Weighted average number of ordinary shares at 30 September	**4,439,047**	**4,439,047**
	========	========
Basic/ diluted loss per share (kobo)	(19k)	(101k)

14 Property, Plant and equipment

	Land	Building	Motor Vehicles	Hoardings	Plant, Furniture &Equipment	Decommission cost on hoardings	Work-in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost or valuation:								
At 1 October 2011	-	511,000	156,450	1,899,736	227,990	-	-	2,795,176
Revaluation	-	-	-	260,957	-	-	-	260,957
Reclassification	91,428	(91,428)	-	-	-	-	-	-
Transfer	-	84	-	-	-	67,349	282,443	349,876
At 1 October 2011(Adjusted)	91,428	419,656	156,450	2,160,693	227,990	67,349	282,443	3,406,009
Additions	-	-	-	38,269	9,299	1,461	10,089	59,118
At 30 September 2012	91,428	419,656	156,450	2,198,962	237,289	68,810	292,532	3,465,127
Additions	-	-	-	2,180	41,426	-	347	43,953
At 30 September 2013	91,428	419,656	156,450	2,201,142	278,715	68,810	292,879	3,509,080
Accumulated depreciation and impairment:								
At 1 October 2011	-	40,880	134,071	575,514	147,375	-	-	897,840
Revaluation	-	-	-	(575,514)	-	-	-	(575,514)
Transfer	-	(3,062)	-	-	-	-	-	(3,062)
At 1 October 2011(Adjusted)	-	37,818	134,071	-	147,375	-	-	319,264
Transfer	-	(1,828)	-	-	-	-	-	(1,828)
Depreciation charge for the year	-	10,220	15,094	271,952	38,082	11,018	-	346,366
At 30 September 2012	-	46,210	149,165	271,952	185,457	11,018	-	663,802

Property, Plant and equipment

	Land	Building	Motor Vehicles	Hoardings	Plant, Furniture & Equipment	Decommission cost on hoardings	Work-in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 30 September 2012	-	46,210	149,165	271,952	185,457	11,018	-	663,802
Depreciation charge for the year	-	8,391	5,505	228,613	33,284	11,365	-	287,158
At 30 September 2013	-	54,601	154,670	500,565	218,741	22,383	-	950,960
Net book value:								
At 30 September 2013	91,428	365,055	1,780	1,700,577	59,974	46,427	292,879	2,558,120
At 30 September 2012	91,428	373,446	7,285	1,927,010	51,832	57,792	292,532	2,801,325
At 1 October 2011	91,428	381,838	22,379	2,160,693	80,615	67,349	282,443	3,086,745

14a The company's land and buildings at Kilometer 21, Badagry Expressway, Araromi Ajangbadi Village, Lagos and Plot 225 Bendel Development and Property Authority Housing Estate, Ugbowo, Benin City were revalued at ₦504,000,000 and ₦7,000,000 respectively as at September 2007. The valuation was carried out by Messrs Jide Taiwo & Co (Estate Surveyors and Valuers). The basis of the valuation was the current open market capital value as a going concern. This is defined as the networth of the Company in the hands of an assumed purchaser(s) who intends to acquire the Company's assets in their present state and location. The net surplus on revaluation of ₦508,515,000 was credited to an asset revaluation reserve account. Subsequent additions are stated at cost.

14b The company's hoardings were also revalued at ₦1,420,000,000 by Messrs Polly Nwoke & Co (Estate Surveyors &Valuers) in September 2007. The basis of the valuation was the current open market value as a going concern. The net surplus on revaluation of ₦1,218,573,000 was credited to asset revaluation reserve account. Subsequent additions are stated at cost.

14c The revaluation surplus of ₦508,515,000 and ₦1,218,573,000 in (b) and (c) above respectively amounted to ₦1,727,088,000 was credited to the assets revaluation reserve account in 2007.

14d Hoardings revaluation was further carried out by Messrs Polly Nwoke & Co (Estate Surveyors &Valuers) as at 1 October 2011 using open market valuation for the purpose of IFRS reporting. Surplus on revaluation has been credited to revaluation surplus account. The Capital Gain Tax attributable to revaluation surplus has been recognised. Subsequent revaluation is at the discretion of the Board.

15 Intangible assets

	Computer Software	Licensing and Concession	Development Cost	Total
	₦'000	₦'000	₦'000	₦'000
Cost:				
At 1 October 2010	-	-	-	-
Cost capitalised	-	571,040	714,535	1,285,575
	---------------	---------------	---------------	---------------
At 30 September 2011	-	571,040	714,535	1,285,575
	6,930	-	58,434	65,364
	---------------	---------------	---------------	---------------
At 30 September 2012	6,930	571,040	772,969	1,350,939
Cost capitalised	7,061	-	23,592	30,653
	---------------	---------------	---------------	---------------
At 30 September 2013	13,991	571,040	796,561	1,381,592
	---------------	---------------	---------------	---------------
Accumulated amortisation and impairment:				
At 1 October 2011	-	-	-	-
Amortisation	-	-	-	-
	---------------	---------------	---------------	---------------
At 30 September 2011	-	-	-	-
	========	========	========	========

	Computer Software	Licensing and Concession	Development Cost	Total
	₦'000	₦'000	₦'000	₦'000
At 30 September 2011	-	-	-	-
Amortisation	-	287,675	-	287,675
Impairment loss	-	-	704,448	704,448
	---------------	---------------	---------------	---------------
At 30 September 2012	-	287,675	704,448	992,123
Amortisation	-	53,581	-	53,581
	---------------	---------------	---------------	---------------
At 30 September 2013	-	341,256	704,448	1,045,704
	========	========	========	========
Carrying amount:				
At 30 September 2013	13,991	229,784	92,113	335,888
	========	========	========	========
At 30 September 2012	6,930	283,365	68,521	358,816
	========	========	========	========
At 30 September 2011	-	571,040	714,535	1,285,575
	========	========	========	========

16 **Available-for-sale investments – quoted equities**

The Company has investments in listed equity. The fair value of the quoted equities is determined by reference to published price quotations in an active market.

	2013	2012	1 October 2011
	₦'000	₦'000	₦'000
Cost	80,012	80,012	80,012
Dimunition	(48,900)	(53,799)	(62,955)
	---------------	---------------	---------------
Quoted equity shares market values	**31,112**	**26,213**	**17,057**
	========	========	========

16a Impairment on available-for-sale investments

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

Based on these criteria, the Company identified an impairment of ₦48,899,853 (2012: ₦53,799,053) on available-for-sale investment in quoted equity securities. The impairment on available-for-sale financial investments is recognised within administrative costs in the statement of profit or loss and other comprehensive income.

16b Fair value

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

	Carrying amount			Fair value		
	2013 ₦'000	2012 ₦'000	2011 ₦'000	2013 ₦'000	2012 ₦'000	2011 ₦'000
Financial assets						
Trade receivables	839,952	1,008,167	3,898,231	839,952	1,008,167	3,898,231
Loans and receivables	15,891	20,358	22,219	15,891	20,358	22,219
Available-for-sale	31,112	26,213	17,057	31,112	26,213	17,057
Cash and short-term deposits	4,462	229,664	6,637	4,462	229,664	6,637
Total	**891,417**	**1,284,402**	**3,944,144**	**891,417**	**1,284,402**	**3,944,144**
Financial liabilities						
Trade and other payables	1,731,948	1,525,385	1,567,459	1,731,948	1,525,385	1,567,459
Bank overdraft	1,500,762	1,185,690	746,700	1,500,762	1,185,690	746,700
Borrowings	291,111	291,111	260,770	291,111	291,111	260,770
Total	**3,523,821**	**3,002,186**	**2,574,929**	**3,523,821**	**3,002,186**	**2,574,929**

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

The following methods and assumptions were used to estimate the fair values:
Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Loans receivables are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 30 September 2013, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

The fair value of, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

	2013 ₦'000	2012 ₦'000	1 October 2011 ₦'000
17 Deferred costs			
Prepaid employee house allowance (Note 17a)	34,788	43,486	52,183
Executive retirement benefits (Note 17b)	-	-	169,721
	---------------	---------------	---------------
	34,788	**43,486**	**221,904**
	========	========	========

17a The prepaid house allowance represents the employee house ownership allowance paid to qualifying officers and is expected to be written off over 10 years.

	2012 ₦'000	2011 ₦'000	1 October 2011 ₦'000
Deferred costs			
At 1 October	43,485	52,183	60,880
Balance due within the year	(8,697)	(8,997)	(8,697)
	---------------	---------------	---------------
At 30 September	**34,788**	**43,486**	**52,183**
	========	========	========

17b This represents compensation for the retirement of executive management staff.

	2012 ₦'000	2011 ₦'000	1 October 2011 ₦'000
18 Deposit for investment			
Summit Hotels Managers Limited	70,000	70,000	70,000
Strategic Solution Media Limited	26,644	26,644	26,644
	---------------	---------------	---------------
	96,644	**96,644**	**96,644**
	========	========	========

This comprises of 33.9% interest in Summit Hotels Managers Limited and 23.4% in Strategic Solution Media Ltd. Summit Hotels Managers Limited is involved in hoteling business while Strategic Solution Media Limited is into advertising of shopping malls and airport trolleys.Both are private entities that are not listed on any public exchange.No shares have been transferred to Afromedia Plc as at year ended 30 September 2013.

		2013	2012	1 October 2011
		₦'000	₦'000	₦'000
19	**Inventories**			
	Admin stationery materials	-	-	261
	APSD printing materials	-	-	987
	Outdoor hoarding materials	219,964	220,766	229,150
	Area materials (stock-others)	-	-	679
	Provision for obsolete stocks	-	-	(1,927)
		219,964	**220,766**	**229,150**
20	**Trade receivables**			
	Trade debtors	3,392,970	3,618,065	3,814,064
	Sundry debtors	296,399	241,706	186,837
	Provision for doubtful debts	(2,849,417)	(2,851,604)	(102,670)
		839,952	**1,008,167**	**3,898,231**

Impairment of receivables

As at 30 September 2013, trade receivables of an initial value of ₦2,849,417,000 (2012: ₦2,851,604,000, 1 October 2011: ₦102,670,000) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables.

	Collectively impaired ₦'000	Individually impaired ₦'000	Total ₦'000
At 1 October 2011	102,670	-	102,670
Charge for the year	2,748,934	-	2,748,934
At 30 September 2012	**2,851,604**	**-**	**2,851,604**
Unused amounts reversed	(2,187)	-	(2,187)
At 30 September 2013	**2,849,417**	**-**	**2,849,417**

As at 30 September, the ageing analysis of trade receivables (excluding receivables that have been specifically impaired) is as follows:

	Neither past Due nor impaired		past due but not impaired			
			0-90 Days	91-180 Days	181-270 Days	>270 Days
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
2013	839,952	419,575	5,920	13,113	117,170	284,174
2012	1,008,167	388,298	251,981	12,271	352,827	2,790
1 October 2011	3,898,231	2,858,291	302,169	653,841	14,300	69,630

21 Prepayments

	2013 ₦'000	2012 ₦'000	1 October 2011 ₦'000
Prepaid licence fees	40,581	83,360	145,446
Insurance	7,939	11,126	7,514
Employee mortgage scheme (Note 17)	8,697	8,697	8,697
Executive retirement (current)	-	-	42,430
Concession fees	-	-	130,000
Advertising	270	6,337	17,841
Others	5,446	15,903	239,002
	62,933	125,423	590,930

		2013 ₦'000	2012 ₦'000	1 October 2011 ₦'000
22	**Loans and advances**			
	Staff loans	29,601	44,240	44,693
	Impairment of staff loans	(13,710)	(23,882)	(22,474)
		---------------	---------------	---------------
		15,891	**20,358**	**22,219**
		========	========	========

		Neither past Due nor impaired	**past due but not impaired**			
			0-90 Days	91-180 Days	181-270 Days	>270 Days
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
2013	15,891	1,589	5,562	6,356	2,384	-
2012	20,358	1,629	8,143	3,461	7,125	-
1 October 2011	22,219	4,444	5,600	6,621	3,554	2,000

Impairment of loans and advances

As at 30 September 2013, loans and advances of an initial value of ₦13,710,000 (2012: ₦23,882,000, 1 October 2011: ₦22,474,000) were impaired and fully provided for. See below for the movements in the provision for impairment of receivables.

	Individually impaired	Collectively impaired	Total
	₦'000	₦'000	₦'000
At 1 October 2011	22,474	-	22,474
Charge for the year	1,408	-	1,408
	--------------	--------	--------------
At 30 September 2012	**23,882**	**-**	**23,882**
	--------------	--------	--------------
Unused amounts reversed	(10,172)	-	(10,172)
	--------------	--------	--------------
At 30 September 2013	**13,710**	**-**	**13,710**
	--------------	--------	--------------

23 Cash and short-term deposits

	2012 ₦'000	2011 ₦'000	1 January 2011 ₦'000
Cash and short term deposit	4,462	229,664	6,637
	=======	========	========

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Note 2.3.16.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 30 September:

	2013 ₦'000	2012 ₦'000	1 January 2011 ₦'000
Cash and short term deposit	4,462	229,664	6,637
Bank overdrafts	(1,500,762)	(1,185,690)	(746,700)
	--------------	--------------	--------------
	(1,496,300)	(956,026)	(740,063)
	========	========	========

The Bank overdrafts were secured on the following:

i. Domiciliation of MTN contract proceeds through Capital Media Limited.

ii. Domiciliation of First Bank of Nigeria Plc's contract proceeds.

iii. Personal guarantee of the Managing Director, Mr. Akin Ire Olopade.

iv. The average interest rate is 18.5%.

	2013 ₦'000	2012 ₦'000	1 Oct 2011 ₦'000
24 Issued Share capital and reserves			
Authorised shares:			
5,000,000,000 ordinary shares of 50k each	2,500,000	2,500,000	2,500,000
	========	========	========
Ordinary shares issued and fully paid:			
At 1 October (2012: 4,4390,046,986, 2011 & 2010: 4,035,497,260 ordinary shares of 50k each)	2,219,524	2,017,748	2,017,748
Additions– bonus issue (403,549,726 ordinary shares of 50k each	-	201,776	-
	---------------	---------------	---------------
At 30 September (2013 & 2012: 4,439,046,986 (2011: 4,035,497,260 ordinary shares of 50k each)	2,219,524	2,219,524	2,017,748
	========	========	========

Share premium

The share premiums are excess amount received over and above the par value of the shares. They form part of the non-distributable reserves of the Company which can be used only for the purposes specified under Companies and Allied Matters Act,CAP C20,LFN 2004. There has not been any movement in the account since 1 October 2011.

Revaluation reserve

The revaluation reserves are increase in value of assets over its carrying value. The movements represent the gains on application of IFRS 1 – First Time Adoption deemed cost election on transition to IFRS.

	2013 ₦'000	2012 ₦'000
At 1 October	2,312,618	1,727,088
Revaluation addition	-	836,471
Deferred tax liability	-	(250,941)
	---------------	---------------
At 30 September	**2,312,618**	**2,312,618**
	========	========
Available-for-Sale reserve		
At 1 October	(9,156)	-
Addition	(4,899)	(9,156)
	--------------	--------------
At 30 September	(14,055)	(9,156)
	========	========

24 **Issued Share capital and reserves**

Retained earnings

Retained earnings represent the carried forward recognised income net of expenses plus current period result attributable to equity holders

	2013 ₦'000	2012 ₦'000
At 1 October	(4,277,098)	412,525
Bonus issue	-	(201,776)
Other comprehensive income	(22,507)	3,518
Loss for the year	(851,324)	(4,490,302)
	---------------	---------------
At 30 September	(5,149,866)	4,276,035)
	========	========

	2013 ₦'000	2012 ₦'000	2011 ₦'000
25 Taxation			
25a Current tax payable			
At 1 October	191,119	195,137	291,369
Charge for the year (Note 12)	6,477	7,604	(96,232)
Payments during the year	(1,080)	(11,622)	-
	--------------	--------------	--------------
At 30 September	**196,516**	**191,119**	**195,137**
	========	========	========

25b Deferred tax liability

Statement of financial position

At 1 October	288,139	282,337	43,828
Charge for the year (Note 12a)	(6,094)	5,802	(12,432)
Revaluation reserves	-	-	250,941
At 30 September	**282,045**	**288,139**	**282,337**

Deferred tax relates to the following:

Accelerated depreciation for tax purpose	282,045	288,139	282,337

26 Staff retirement benefit

The Company has a defined benefit gratuity scheme, which is non-contributory and is classified as other employment benefits in line with IAS19. The obligation, service cost and actuarial gain (loss) are based on actuarial valuation performed by KMC Actuarial Services.

	2013 ₦'000	2012 ₦'000	1 October 2011 ₦'000
Net benefit expenses recognised in profit or loss			
Current service cost	24,984	12,279	20,019
Past service cost	2,195	2,098	750
Actuarial loss/ (gain) on obligation	22,507	(3,518)	(45,389)
	---------------	---------------	---------------
Net benefit expense	49,686	10,859	(24,620)
	========	========	========
Benefit asset/ (liability)			
Defined benefit obligation	131,818	117,473	112,614
Unrecognised past service cost	-	-	-
	---------------	---------------	---------------
Benefit liability	131,818	117,473	112,614
	========	========	========
Changes in the present value of defined benefit obligation are as follows:			
Defined benefit obligation at 1 October	117,473	112,614	137,346
Current service cost	27,179	14,377	20,769
Benefit paid	(5,340)	(6,000)	(112)
Reclassification	(30,001)	-	
Actuarial loss/ (gain) on obligation	22,507	(3,518)	(45,389)
	---------------	---------------	---------------
Defined benefit obligation at 30 September	**131,818**	**117,473**	**112,614**
	========	========	========

The reclassification represents the unpaid benefit due within the year now reclassified to current liabilities account.

The valuation assumptions used in determining retirement benefit obligations for the Company's plans are shown below:

	2013	2012	1 October 2011
	%	%	%
Discount rate (p.a)	13	13	13
Average pay increase (p.a)	5	5	5
Withdrawal from Service (age band)	%	%	%
Less than or equal to 31	5	5	5
32 – 46	4	4	4
47 – 49	3	3	3
50 – 54	2	2	2
55 and above	100	100	100

The discount rate is determined on the Company's reporting date by reference to market yields on high quality government bonds. The discount rate should reflect the duration of the liabilities of the benefit programme. The rates of mortality assumed for members in the scheme are the rates published in the A49/52 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

	2013	2012	1 October 2011
	₦'000	₦'000	₦'000
27 Financial liabilities			
Long term financial liabilities			
First Bank (N6.8M-48months commencing August 2008)	-	-	2,065
SCB (N1.2Billion-36 months from the date of draw down)	292,981	292,981	472,945
	292,981	292,981	475,010
Amount falling due within 12 months	(292,981)	(292,981)	(268,019)
Amount falling due after one year	-	-	**206,991**
Current financial liabilities			
Amount falling due within 12 months	292,981	292,981	268,019
Loan transaction cost	(1,870)	(1,870)	(7,249)
	291,111	**291,111**	**260,770**

The financial liability comprises bank loans obtained at a commercial rate and is measured using effective interest rate. The loans are secured by fixed and floating debenture on the assets of the Company and legal mortgage over property situated at Ajangbadi.

	2013 ₦'000	2012 ₦'000	1 October 2011 ₦'000
28 Provision for decommissioning			
At 1 October	81,196	67,349	67,349
Addition	-	1,461	-
Unwinding of discount	14,615	12,386	-
At 30 September	**95,811**	**81,196**	**67,349**

The provision comprises the amount for dismantling of bill boards and other hoarding equipment.

	2013 ₦'000	2012 ₦'000	1 October 2011 ₦'000
29 Trade and other payables (current)			
Trade payable	227,383	168,605	319,782
Value Added Tax	393,242	393,221	333,980
Airport advert concession fee	745,021	745,021	614,322
PAYE and other statutory deductions	51,508	38,411	46,460
Salaries and wages	71,462	-	20,819
Final staff entitlements	145,109	156,814	212,151
Other payables	98,223	23,313	19,945
	1,731,948	1,525,385	1,567,459
30 Deferred revenue			
Advert revenue holding	63,768	466,044	735,090

The deferred revenue represents revenue received in advance in respect of advertisement from clients. Deferred revenue is subsequently recognised in the period that the service is delivered.

31 Related party transactions

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

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

	2013 ₦'000	2012 ₦'000	1 October 2011 ₦'000
Transaction with key management personnel			
Short term employment benefits	20,643	20,643	37,514
Fees paid for meetings attended	-	6,500	6,500
	---------------	---------------	---------------
Total compensation paid to key management	20,643	27,143	42,514
	========	========	========
Highest paid Director	12,450	12,450	14,645
	========	========	========

The directors waived their fees for the year due to the condition of the Company.

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

	2013 Number	2012 Number	1 October 2011 Number
Up to ₦2,200,000	3	3	3
₦2,200,001– ₦10,200,000	1	1	2
₦10,200,001 and above	1	1	2
	-------------	-------------	-------------
	5	5	7
	========	========	========

There was no transaction conducted between the Company and its related companies during the year.

32 Operating activities

	2013 ₦'000	2012 ₦'000
Loss after taxation	(851,324)	(4,490,302)
Adjustment for:		
Depreciation of property, plant and equipment	287,158	346,366
Interest paid	345,226	311,902
Provision for doubtful debts	(2,185)	2,748,934
Dividend received	(1,996)	(6,218)
Amortisation of intangible assets	53,581	287,675
Impairment loss on intangible assets	-	704,448
Actuarial loss/ (gain) on defined benefit obligation	22,507	(3,518)
Provision for diminution in investment	(4,899)	(9,156)
Unwinding of decommissioning provision	14,615	13,847
Provision for staff gratuity	27,179	14,377
Transfer from fixed assets	-	(1,828)
	(110,138)	(83,473)
Decrease in inventories	802	8,384
Increasein Trade Receivables	(231,876)	(127,916)
Decrease in prepayments	62,490	465,507
Decrease in loans and receivables	4,467	1,861
Decrease in deferred costs	8,698	178,418
Increase / (decrease) in Trade and other payables	157,605	(110,747)
Increase/ (decrease) in income taxation	5,397	(4,018)
(Decrease)/increase in deferred taxation	(6,094)	5,802
Increase in VAT payable	21	59,241
Decrease in staff retirement benefit	(14,345)	(4,859)
	(12,835)	471,673
Net cash (outflow)/inflow from Operation activities	(122,973)	388,200

33 Going concern

The Company incurred a net loss N851 million (2012: ₦4.5 billion) for the year ended 30 September 2013 and as at that date, the Company has a negative working capital of ₦2.54billion (2012: ₦1.96 billion). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

However, in recognition of the need to reinvigorate the company's operations, the management intends to undertake the following:

- The Board and the Management have left no stone unturned in the pursuit of the return of the airport transit business to normalcy.

- Restructuring of the outstanding bank facilities with Standard Chartered Bank Limited that has brought about huge financial charge in year 2013 and encumbered company's ability to raise further funding for its new projects. The restructuring has been successfully done for a period of 5 years with a moratorium of 6months for both Principal and Interests.

- Business diversification strategy is vigorously being implemented with regard to digitalizing selected billboards in Lagos, activation of New Media SBU including deployment of ATM platform. The Company's FCTA DOAS Management Consultancy project has also reached advanced stage for full commencement of operations as alternative revenue generation strategy

The financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the company will be able to inject fresh equity capital and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

34 Information relating to employees

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

	2013 Numbers	2012 Numbers
Administration	18	16
Accounts	4	6
Marketing	7	2
Operations	13	16
	----	----
	42	40
	===	===

	2013 ₦'000	2012 ₦'000
Salaries and wages including staff bonuses	205,222	386,519
Contributions to pension scheme	7,658	7,795
	---------------	---------------
	212,880	394,314
	========	========

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

₦	₦	2013 Number	2012 Numbers
170,001–	180,000	-	-
200,001–	260,000	-	-
280,001–	360,000	-	-
420,001–	540,000	9	5
600,001–	700,000	13	9
720,001–	840,000	3	5
900,001–	2,000,000	5	8
2,000,001–	4,000,000	6	8
4,000,001–	6,000,000	6	5
		----	----
		42	40
		===	===

35 **Litigation and claims**

The former Company Secretary that was removed by the Company in accordance with the Company's policies and Companies and Allied Matters Act (CAMA) instituted a legal action against the Company claiming for various reliefs amounting to ₦209.8 million. The Company strongly contends the purported averments in suit and thus filed its defense to show that it strictly complied with the statutory mandates of CAMA in removing the Company Secretary. The Company has been advised by its legal counsel that the outcome of the suit will be in favour of Afromedia Plc.

A customer also instituted a summary judgement proceedings against the Company for the sum of ₦84.6 million which has been opposed by the Company because the alleged transaction which was conducted at the instance of the Federal Airport Authority of Nigeria (FAAN) was cancelled by FAAN and therefore the claimed sum was not due payable. The Company also has a counter-claim against the customer for the sum of ₦251 million paid with respect to the transaction in contention. The legal counsel of the Company has advised that the outcome of the proceedings will be in favour of Afromedia Plc.

A customer also brought a cause of action under the summary judgement proceedings for a total sum of ₦21.8 million under an expired Service Level Agreement/ Contract. The Company contends that there was no fulfilled obligation under the Service Level Agreement to warrant any justification for payment and therefore cannot reap benefits. Afromedia Plc responded to the processes by filling its defence with accompanying processes and same was served on the claimant. Parties have concluded Mediation under the Alternative Dispute Scheme ("ADR") during the year. However, the legal counsel has advised the Company that if the Claimant applies for assignment of the matter to a Court, the outcome of the suit will be in favour of Afromedia Plc.

The contingent liabilities in respect of the three legal actions against the Company described above amounts to ₦316 million (2012: ₦210 million). There was no provision made for the contingent liabilities because the actions are being strongly contested and the Directors are of the opinion that no significant liability will arise therefrom.

36 Capital commitments

The company had capital commitments of ₦73 million as at 30 September 2013 in respect of the importation of digital screens and generating equipment (2012: Nil).

37 Events after the reporting period

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

38 Approval of financial statements

The Board of Directors approved these financial statements on 30 December 2013.

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 ₦'000	2012 ₦'000
Turnover	742,907	1,644,060
Cost of goods and other services:		
Local component	(708,970)	(4,788,507)
	33,937	(3,144,447)
Other operating income	14,496	6,218
Finance income	535	2,653
Value added/ (consumed)	**48,968**	**(3,135,576)**

Applied as follows:

	2013	%	2012	%
To employees:				
- as salaries and labour related expenses	212,881	435	394,314	(13)
To external providers of capital:				
- as interest	345,226	705	311,902	(10)
To Government:				
- as company taxes	6,477	13	7,604	-
Retained for the company's future:				
- for assets replacement (Depreciation)	288,221	589	347,429	(11)
- amortisation	53,581	109	287,675	(9)
- deferred taxation	(6,094)	(12)	5,802	-
- loss for the year	(851,324)	(1,739)	(4,490,302)	143
	48,968	**100**	**(3,135,576)**	**100**

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

	30 SEPTEMBER				
	IFRS			LOCAL GAAP	
	2013	2012	2011	2010	2009
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of financial position					
Assets and liabilities:					
Property, plant and equipment	2,558,120	2,801,325	3,086,745	2,134,962	2,133,291
Intangible assets	335,888	358,816	1,285,575	-	-
Available for-sale investments	31,112	26,213	17,057	18,550	21,758
Investment in subsidiaries	-	-	-	231,933	181,150
Deferred costs	34,788	43,486	221,904	997,595	-
Net current (liabilities)/assets	(2,544,259)	(1,958,327)	1,338,655	2,429,831	2,699,461
Deferred tax (liability)/ asset	(282,045)	(288,139)	(282,337)	(43,828)	43,034
Staff retirement benefit	(131,818)	(117,473)	(112,614)	(137,346)	(133,312)
Financial liability (non-current)	-	-	(206,991)	(464,961)	(17,001)
Provision for decommissioning	(95,811)	(81,196)	(67,349)	-	-
	(94,025)	784,705	5,280,645	5,166,736	4,928,381
Shareholders' fund					
Issued share capital	2,219,524	2,219,524	2,017,748	2,017,748	2,017,748
Share premium	537,754	537,754	537,754	537,754	537,754
Revaluation reserve	2,312,618	2,312,618	2,312,618	1,727,088	1,727,088
Available for-sale reserve	(14,055)	(9,156)	-	-	-
Revenue reserve	(5,149,866)	(4,276,035)	412,525	884,146	645,791
	(94,025)	784,705	5,280,645	5,166,736	4,928,381
	IFRS		LOCAL GAAP		
Turnover	742,907	1,644,060	3,240,579	3,733,183	2,396,750
(Loss)/Profit before taxation	(850,941)	(4,476,896)	(409,845)	619,871	338,442
Taxation	(383)	(13,406)	108,664	(179,742)	2,348
(Loss)/Profit after taxation	(851,324)	(4,490,302)	(301,181)	440,129	340,790
Basic (Loss)/ Earnings per share (kobo)	(19k)	(101k)	(7k)	11k	8k
Adjusted (Loss)/ Earnings per share (kobo)	(19k)	(101k)	(7k)	10k	8k

Disclosure on non-IFRS comparative information

1. The Property, plant and equipment (PPE) under the NGAAP would have complied with IFRS if the discounted cost of dismantling the Company's billboards is added and the additional depreciation on hoardings as a result of the dismantling cost is recognised.

   Also, the last revaluation of Hoardings carried at revaluation model was done in 2007 under NGAAP. In order to make PPE complied with IFRS, revaluation of assets carried at fair value needs to be done with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value.

2. Under the NGAAP, there was no intangible asset because this was classified as PPE; this was measured at cost less accumulated depreciation.

3. Investments in subsidiaries under NGAAP were recognised at cost. These will need to be treated as receivables with impairment loss recognised to make it comply with IFRS.

4. Under the NGAAP, the loans to the staff were stated at no interest rate. The loans are to be measured at their fair value on initial recognition in order to make it complied with IFRS.

5. Staff retirement benefits under NGAAP were recognised on the basis of the Company's policy. However, the employees' benefit liabilities have to be recognised on an actuarial basis to make it comply with IFRS.

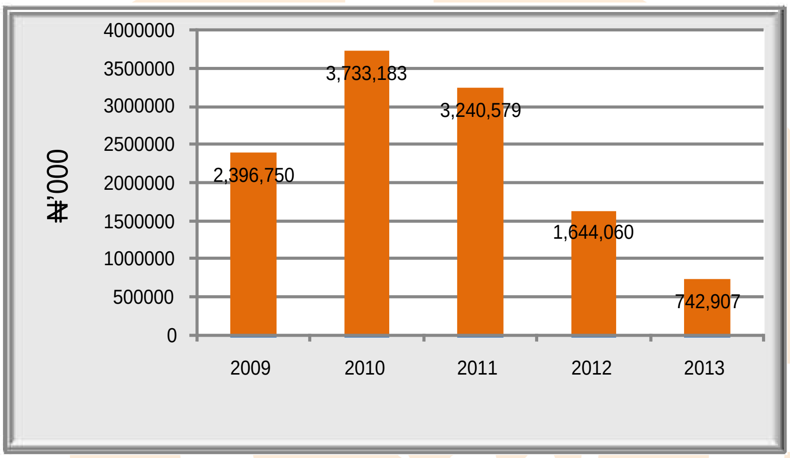
6. Provision for decommissioning was not a requirement under NGAAP. However, there is need to restate the provisions to involve the recognition of a discounted provision that will cover all dismantling costs in order to comply with IFRS. The provisions will also need to be discounted and un-winded.

7. Under NGAAP, the transaction fees on bank loans were expensed in the periods that the transactions took place. To comply with IFRS, there is need to deduct the fees paid on the loans from the gross amount of the loan, that is, financial liabilities (current) which will be deferred over the period of the loan.

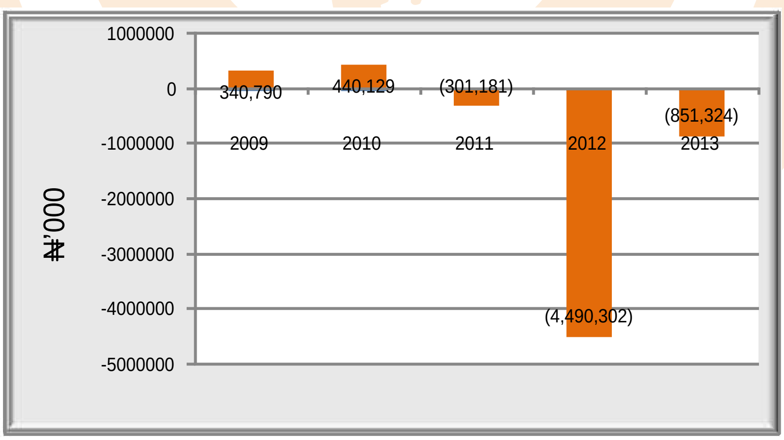
8. The deferred tax under NGAAP would have complied with IFRS if the various IFRS adjustments creating temporary differences have been accounted for.

PERFORMANCE INDICATORS
AS AT SEPTEMBER 30 2013

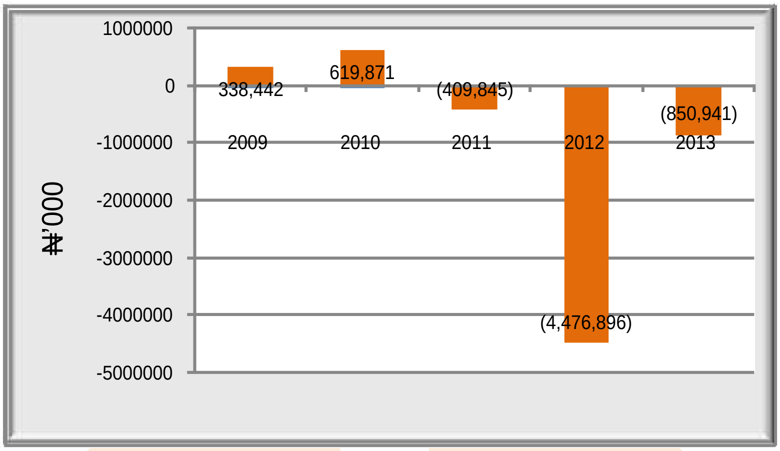
	Turnover	Profit/(loss) before taxation	Profit/(loss) retained for the year	Shareholders funds	Earnings / (loss) per share
	₦'000	₦'000	₦'000	₦'000	Kobo
2009	2,396,750	338,442	340,790	4,928,381	8.44
2010	3,733,183	619,871	440,129	5,166,736	10.91
2011	3,240,579	(409,845)	(301,181)	5,280,645	(7.46)
2012	1,644,060	(4,476,896)	(4,490,302)	784,705	(101)
2013	742,907	(850,941)	(851,324)	(94,025)	(19)



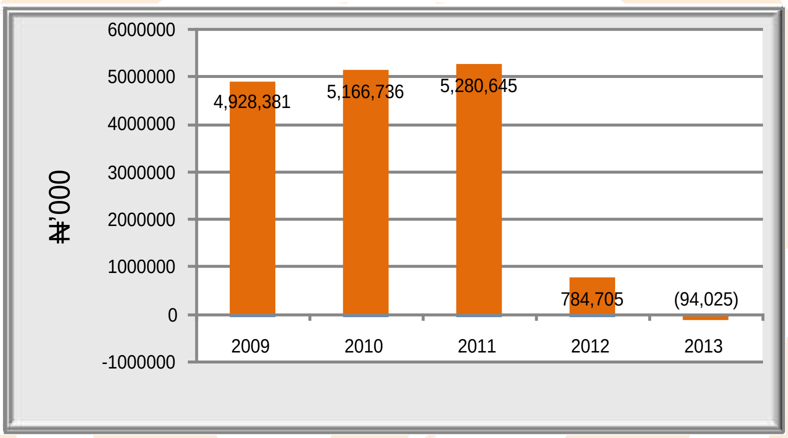
Turnover



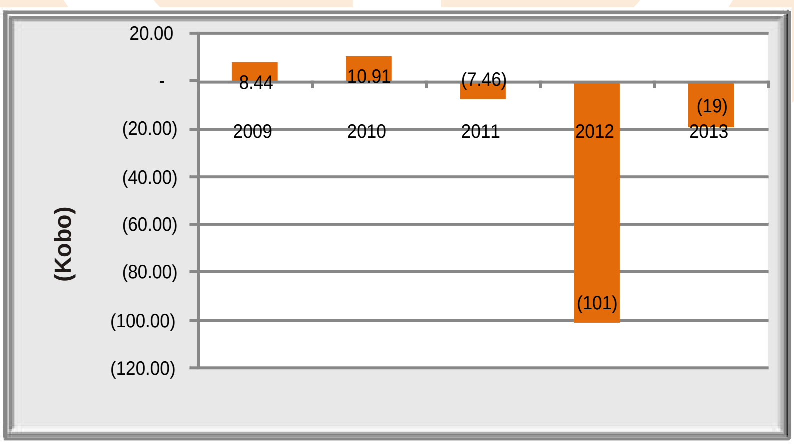
Profit / Loss after Tax



Profit / Loss before Tax



Shareholders' funds



Earnings per share

SHARE CAPITAL HISTORY

Date	Authorized share capital		Issued and fully paid			consideration
	Increase	Cumulative (N)	Increase	Cumulative (N)	Issued shares	Stock @ N2.00 per share
Initial	150,000	300,000.00	150,000	300,000.00	150,000	Cash
Apr-93	2,350,000	5,000,000.00	2,350,000	5,000,000.00	2,500,000	Cash
April -97	2,500,000	10,000,000.00	5,000,000	10,000,000.00	5,000,000	Cash
Mar-08	2,500,000	15,000,000.00	7,500,000	15,000,000.00	7,500,000	Cash
April-08	1,242,500,000	2,500,000,000.00	3,073,893.50	18,073,893.00	36,147,785	Cash
April-08	-	2,500,000,000.00	3,588,390,618	1,794,195,309.00	3,624,538,356	Bonus Issue
April-08	5,000,000,000	2,500,000,000.00	3,624,538,402	1,812,269,201.00	3,624,538,402	Stock split to 50K per value
June - 08	-	2,500,000,000.00	410,958,904	2,017,748,630.00	4,035,497,260	Cash
August -'12	-	2,500,000,000.00	403,549,726	2,219,523,492.00	4,439,046,986	Bonus Issue

NOTICE IS HEREBY GIVEN that the forty-eighth (48th) Annual General Meeting of the members of Afromedia Plc. will be held at OPTS Hall, Lagos Chamber of Commerce and Industry (LCCI) Conference and Exhibition Centre, situated at Plot 10, Nurudeen Olowopopo Drive, Alausa, Ikeja, Lagos, on Thursday, the 11th day of September 2014, at 11.00 a.m. prompt to transact the following business:

Ordinary Business:

i. To lay before the members the Audited Financial Statements for the year ended 30th September 2013, together with the Reports of the Directors, Auditors and Audit Committee thereon.

ii. To ratify the appointment of Directors

iii. To re-appoint the Auditors

iv. To authorise the Directors to fix the remuneration of the Auditors

v. To elect Members of the Audit Committee

Special Business:

i. To fix the remuneration of Directors

ii. That the company's Articles of Association be and is hereby altered by renumbering Article "49" to read "49(1)", pursuant to the introduction of clause 49(2) in item iii below.

iii. To consider and if thought fit, pass the following as a special resolution: **"That the company's Articles of Association be and is hereby altered by introducing a new Article 49(2)**

The new Article 49(2) shall read as follows:

The Notice of Annual General Meeting, latest audited financial statements, Reports of the Directors, Auditors and Audit Committee contained in the Annual reports and accounts of the Company for any financial year shall be circulated by the Company at least twenty-one (21) days before the date of any next annual general meeting which at the discretion of the directors may be sent in a bound book form or electronic form or a combination of the aforementioned forms; provided that the form the directors may adopt from time to time presents the accounts and reports in legible form."

Dated 4th day of August, 2014

BY ORDER OF THE BOARD

Ifetola Fadeyibi (Mrs.)
Company Secretary
FRC/2013/NBA/00000003855

Registered Office:
Kilometer 21, Badagry Expressway
Araromi Ajangbadi
P.O. Box 2377 Marina
Lagos

Corporate Office:
39, Ladipo Bateye Street
Ikeja, GRA
Lagos
Website: www.afromediaplc.com

Notes:

a. Proxies

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company. For the appointment to be valid, a proxy form must be completed and duly signed and stamped by the member at the Stamp Duty Office and deposited at the office of the Registrars, EDC Registrars Limited at No. 154, Ikorodu Road, Onipanu, Lagos not less than forty-eight (48) hours before the date of the meeting.

b. Closure of Register and Transfer of Books

The registration of Members and transfer of books of the Company shall be closed from 11th to 15th August 2014, both days inclusive.

c. Nominations for the Audit Committee

In accordance with Section 359(5) of the Companies and Allied Matters Act, CAP. C20, Laws of the Federation of Nigeria 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

d. Unclaimed Dividend Warrants and Share Certificates

A number of dividend warrants and share certificates have remained unclaimed or are yet to be presented for payment or returned to the Registrar for revalidation. Affected Shareholders are advised to kindly contact EDC Registrars Limited at No. 154, Ikorodu Road, Onipanu, Lagos.

e. E-Dividend/E-Bonus

Notice is hereby given to all Shareholders to open bank accounts, stock-broking accounts and CSCS accounts for the purpose of dividend/bonus. A detachable application for E-bonus / E-dividend is attached to this Annual Report to enable all shareholders furnish particulars of their bank accounts to EDC Registrars Limited at No. 154, Ikorodu Road, Onipanu, Lagos, as soon as possible.

Shareholders are further encouraged to update their contact details and mailing addresses with EDC Registrars Limited at No. 154, Ikorodu Road, Onipanu, Lagos for all correspondence.

… delivering your audience!

EDC

REGISTRARS LIMITED
154, Ikorodu Road, Onipanu, Shomolu, Lagos
01-7301261

SHAREHOLDERS' DATA UPDATE

In our quest to update shareholders data on our client companies' register of members, we require your GSM number for individuals, landline for corporate shareholders, your CSCS account number and Bank details to enable us effect payment of subsequent Dividend and Bonuses via our online E-bonus and E-dividend Menu. This will enhance safe and timely receipt of your entitlements as they fall due.

SHAREHOLDER'S FULL NAME: ______________________________
SURNAME OTHER NAMES

INDIVIDUAL SHAREHOLDER-(GSM NUMBER) CORPORATE SHAREHOLDER-(LANDLINE)

PRESENT/ NEW POSTAL ADDRESS: ______________________________

____

E-BONUS INFORMATION

I/We hereby request that from now on, all my/our bonus shares due to me/us from our holding(s) in all the companies ticked below be mandated to me/our Bank named below be transferred to CSCS electronically.

CLEARING HOUSE NUMBER: C

NAME OF STOCKBROKER:

ACCOUNT NUMBER:

DIVIDEND PAYMENT INFORMATION

I/We hereby request that from now on, all my/our dividend warrant(s) due to me/us from our holding(s) in all the companies ticked below be mandated to my/our Bank named below.

BANK'S DETAILS

NAME OF BANK: ______________________________

BRANCH ADDRESS: ______________________________

ACCOUNT NO

____
AUTHORISED BANK OFFICIAL'S SIGNATURE/STAMP

NAME OF COMPANY IN WHICH YOU HAVE SHARES

1 ______________________________
2 ______________________________
3 ______________________________
4 ______________________________
5 ______________________________
6 ______________________________

REGISTRAR'S USE

REGISTER CODE

ACCOUNT NO.

Signature or Thumbprint

Signature or Thumbprint

____
Signature verified by:

Please ensure we are notified of any subsequent change in the above information.
Thank You.

AFROMEDIA PLC

EDC **REGISTRARS LIMITED**

154, Ikorodu Road, Onipanu, Shomolu,
01-7301261

MANDATE FOR e-DIVIDEND PAYMENT

It is our pleasure to inform you that you can henceforth, collect your dividend through DIRECT CREDIT into your Bank Domiciliary Account. Consequently, we hereby request you to provide the following information to enable us process direct payment of your dividend (when declared) into your bank account.

Date (DD/MM/YYYY) ___ / ___ / ____

Shareholder's Account Number

Surname/Company's Name

Other Names (for Individual Shareholder)

Present Postal Address

City

State

Email Address

Mobile (GSM) Phone Number

Bank Name

Branch Address

Bank Domiciliary Account Number

Bank Sort Code

I/WE hereby request that from now, all dividend warrant(s) due to me/us from my/our holding(s) in all the companies you are Registrars to be mandated to my/our Bank named above.

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incorporation Number (Corporate Shareholder)

AUTHORISED SIGNATURE & STAMP OF BANKERS

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...delivering your audience!

PROXY FORM

48TH ANNUAL GENERAL MEETING TO BE HELD AT OPTS HALL, LAGOS CHAMBER OF COMMERCE AND INDUSTRY (LCCI) CONFERENCE AND EXHIBITION CENTRE, SITUATED AT PLOT 10, NURUDEEN OLOWOPOPO DRIVE, ALAUSA, IKEJA, LAGOS, ON THURSDAY, THE 11TH DAY OF SEPTEMBER 2014, AT 11.00 A.M. PROMPT.

I/We………………..........................

(name of shareholder in block letters)

Of........…………………………………., being a member/members of Afromedia Plc., hereby appoint*

.........................…………………........... of

.... or failing him, the Chairman of the Meeting as my/our proxy to act and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the .... 2014, or at any adjournment thereof.

Dated this ....day of 2014

Shareholder's Signature ………………

	The manner in which the proxy is to vote should be indicated by inserting **"X"** in the appropriate space.	**VOTES**	
	Number of shares: **ORDINARY RESOLUTIONS**	**FOR**	**AGAINST**
I	To lay before the members the Audited Financial Statements for the year ended 30th September 2013, together with the Reports of the Directors, Auditors and Audit Committee thereon.		
ii	To ratify the appointment of Directors 1. Mr. Idowu Iluyomade 2. Mr. Ernest C. Ebi (MFR) 3. Mallam Ibrahim Isiyaku (SAN) 4. Mr. Victor Ogiemwonyi		
iii	To re-appoint the Auditors.		
iv	To authorise the Directors to fix the remuneration of the Auditors		
V	To elect Members of the Audit Committee		
	SPECIAL BUSINESS		
i	To fix the remuneration of Directors.		
ii	That the company's Articles of Association be and is hereby altered by renumbering Article "49" to read "49 (1)", pursuant to the introduction of clause 49(2) in item iii below.		
iii	To consider and if thought fit, pass the following as a special resolution: **"That the company's Articles of Association be and is hereby altered by introducing a new Article 49(2)** The new Article 49(2) shall read as follows: The Notice of Annual General Meeting, latest audited financial statements, Reports of the Directors, Auditors and Audit Committee contained in the Annual reports and accounts of the Company for any financial year shall be circulated by the Company at least twenty-one (21) days before the date of any next annual general meeting which at the discretion of the directors may be sent in a bound book form or electronic form or a combination of the aforementioned forms; provided that the form the directors may adopt from time to time presents the accounts and reports in legible form."		

Please indicate an **"X"** in the appropriate box how you wish your votes to be cast on resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.

IF YOU ARE UNABLE TO ATTEND THE MEETING

A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The attached proxy form has been prepared to enable you exercise your right to vote if you cannot personally attend.

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

Please sign the above and post it so as to reach the address of the Registrars shown overleaf not later than 48hours before the meeting. If executed by a corporation, the proxy form should be sealed with the common seal. The proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance into the venue of the Annual General Meeting.

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTRAR'S ADDRESS IF THE MEMBER WILL BE ATTENDING THE MEETING. TO BE VALID, THIS FORM HAS TO BE DUTY STAMPED.

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

ADMISSION CARD

Name & Address of Shareholders		Number of shares held	

Please admit Mr./Mrs./Miss./Chief/Dr./.. to the 48th Annual General Meeting of Afromedia Plc to be held at OPTS Hall, Lagos Chamber of Commerce and Industry (LCCI) Conference and Exhibition Centre, situated at Plot 10, Nurudeen Olowopopo Drive, Alausa, Ikeja, Lagos, at 11.00 a.m. on Thursday, the 11th day of September 2014, at 11.00 a.m. Prompt.

Signature of person attending ....

Note:
- This admission card should be produced by the Shareholder or his/her proxy in order to obtain entrance into the venue of the Annual General Meeting.
- You are requested to sign this card at the entrance in the presence of the Company Secretary, Registrars or his Nominee on the day of the Annual General Meeting. Please be advised that to enable a Proxy gain entrance to the meeting, the Proxy Form should be duly completed and delivered to the Company Secretary not later than 48 hours before the time fixed for the meeting.

Second fold here and insert

Please affix
₦50.00 postage
stamp here

The Registrar
EDC Registrars Ltd
154, Ikorodu Road, Onipanu,
Shomolu, Lagos

Second fold here

First fold