Annual Report and Financial Statements
31 December 2023

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Corporate Information

DIRECTORS

Mr. Wole Oshin	-	Chairman
Mr. Odunayo Ojo	-	Chief Executive Officer
Ms. Bidemi Fadayomi	-	Development Director
Mr. Folasope Aiyesimoju	-	Non-Executive Director
Mr. Oyekunle Osilaja	-	Non-Executive Director
Mr. Adeniyi Falade	-	Non-Executive Director

REGISTRATION NO

RC No. 321582

TIN NUMBER - 00221306-0001

REGISTERED OFFICE

UAC House
1-5 Odunlami Street
Marina,
Lagos.

Phone: +234-9010003019
Email: info@updcplc.com
Website: www.updcplc.com

SUBSIDIARIES

UPDC Facility Management Limited
UPDC Hotel Limited
Deep Horizon Investment Limited
Manor Gardens Development Limited

AUDITORS

Deloitte & Touche
Civic Towers, Plot GA1,
Ozumba Mbadiwe Avenue, Victoria Island, Lagos State

REGISTRARS

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

Performance Highlights

	The Group			The Company		
	31 Dec 23 N'000	**31 Dec 22 N'000**	**% Change**	**31 Dec 23 N'000**	**31 Dec 22 N'000**	**% Change**
Revenue	5,343,622	5,896,957	(9)	2,397,109	3,870,963	(38)
Operating profit	563,596	707,844	(20)	512,668	708,959	(28)
Net finance cost	(183,661)	(377,246)	(51)	(195,992)	(386,002)	(49)
Profit before taxation	379,935	330,598	15	316,676	322,957	(2)
Taxation	(158,430)	(130,066)	22	(24,023)	(26,251)	(8)
Profit after taxation	221,505	200,532	10	292,653	296,706	(1)
Total comprehensive profit for the year	675,111	7,082	9,433	746,260	103,256	623
Total Equity	8,835,423	8,190,598	8	1,285,691	539,432	138
Total equity and liabilities	19,664,030	19,428,402	1	12,080,357	10,749,716	12
Cash and Cash equivalents	4,918,009	3,161,475	56	4,097,627	2,532,109	62
Basic Earnings Per Share (Kobo)	1	1	-	2	2	-
NSE quotation as at 31 December (kobo)	128	91	41	128	91	41
Number of shares in issue ('000)	18,559,970	18,559,970		18,559,970	18,559,970	
Market capitalisation as at 31 December (N'000)	23,756,762	16,889,573		23,756,762	16,889,573	

Directors' Report

The Directors have the pleasure of submitting their annual report, together with the audited financial Statements for the year ended 31st December 2023.

Principal Activities

Founded in 1997, UPDC Plc (UPDC of the Company) is a seasoned development company in Nigeria with an established record in developing, selling, and managing real estate assets across Nigeria.

Known for the quality of its products, UPDC is the first real estate company to have been listed on the Nigerian stock exchange, and offers the most diversified portfolio of residential, commercial, retail, and hospitality assets.

Our Vision

To become the leading lifestyle real estate company of choice in Nigeria by delivering world-class properties and services tailored to the needs of the Nigerian market.

Our Mission

To build and manage:

- Distinctive lifestyle developments
- To time, cost and quality
- Customers for life: from development stage to sales to asset and facility management
- Shareholder value

Core Values

- Responsibility,
- Service,
- Integrity,
- Excellence,
- Shareholder Value and
- Customer Focus.

Operating Results

	Group		Company	
	2023	**2022**	**2023**	**2022**
	N'000	**N'000**	**N'000**	**N'000**
Revenue	5,343,622	5,896,957	2,397,109	3,870,963
Operating profit	563,596	707,844	512,668	708,959
Selling and distribution expenses	(111,240)	(76,131)	(86,086)	(69,535)
Administrative expenses	(1,637,117)	(1,275,615)	(668,591)	(607,569)
Other Operating income	501,063	298,053	617,438	390,596
Operating profit	**563,596**	**707,844**	**512,668**	**708,959**
Net finance cost	(183,661)	(377,246)	(195,992)	(386,002)
Profit before taxation	379,935	330,598	316,676	322,957
Taxation	(158,430)	(130,066)	(24,023)	(26,251)
Profit/(loss) for the year	221,505	200,532	292,653	296,706
Fair value gain on financial assets	453,606	(193,450)	453,606	(193,450)
Total comprehensive profit/(loss) for the year	**675,111**	**7,082**	**746,260**	**103,256**

Dividend

The Directors do not recommend the declaration of any dividend to the shareholders in view of the performance of the Company.

Directors' Report - Continued

Directors' Interests in Shares

Directors' interests in the issued share capital of the Company as recorded in the Register of Members and/or as notified by the Directors in compliance with Sections 301 and 302 of the Companies and Allied Matters Act 2020 and the Listing Requirements of the Nigerian Exchange Limited were as follows:

	31 December 2023		31 December 2022	
	Direct	Indirect	Direct	Indirect
Mr Wole Oshin	-	9,466,708,960		9,466,708,960
Mr Odunayo Ojo	-	-	-	-
Ms Bidemi Fadayomi	-	-	-	-
Mr Folasope Aiyesimoju	-	7,953,143,897	-	7,953,143,897
Mr Oyekunle Osilaja	-	-	-	-
Mr Adeniyi Falade	-	-	-	-

Directors' Interests in Contracts

In line with Section 303 of the Companies & Allied Matters Act 2020, no Director had interest in any contract with the Company during the year.

Shareholders with Substantial Interest of 5% and Above

The issued and fully paid-up share capital of the Company is N9,279,984,968 divided into 18,559,969,936 ordinary shares of 50 kobo each. The following table shows the shareholders with substantial interest above 5%:

S/N	FULL NAME	ADDRESS	HOLDINGS	%
1	Custodian Investment Plc	Custodian House, 16A, Commercial Avenue, Sabo, Yaba	9,466,708,960	51.00
2	UAC of Nigeria Plc	UAC House, 1 – 5, Odunlami Street, Marina, Lagos.	7,953,143,897	42.85

Share Capital History

YEAR	BONUS ISSUE	UNITS	VALUE (N)
1999	Starting Capital	1,000,000,000	500,000,000
2004	1 for 10 bonus issue	1,1000,000,000	550,000,000
2005 to 2009	None	1,1000,000,000	550,000,000
2010	1 for 4 bonus issue	1,375,000,000	687,500,000
2011 to 2012	None	1,375,000,000	687,500,000
2013	1 for 4 bonus issue	1,718,749,995	859,374,998
2014 to 2016	None	1,718,749,995	859,374,998
2017	1 for 1 Rights Issue	2,598,395,794	1,299,197,897
2018	None	2,598,395,794	1,299,197,897
2019	None	2,598,395,794	1,299,197,897
2020	43 for 7 Rights Issue	18,559,969,936	9,279,984,968
2021	None	18,559,969,936	9,279,984,968
2022	None	18,559,969,936	9,279,984,968
2023	None	18,559,969,936	9,279,984,968

Analysis of Shareholding

	Shareholders Number	Shareholding Number	Shareholding %
Directors and Connected Persons	NIL	NIL	NIL
Custodian Investment Plc	1	9,466,708,960	51.01
UAC of Nig Plc	1	7,953,143,897	42.85
Individuals	27,342	469,712,675	2.53
Other Corporate bodies	1,090	670,404,404	3.61
Total	**28,434**	**18,559,969,936**	**100**

Directors' Report - Continued

Our People
At UPDC, we are committed to ensuring that our employees reflect our core values of integrity, responsibility, service, excellence, customer focus and shareholder value creation. Our corporate culture fosters open communication, collaboration, diversity, and forward thinking among all employees to encourage the exchange of views, ideas and knowledge which leads to innovation.

Diversity and Inclusion Strategies
At UPDC, there is no form of discrimination and as such, recruitment, training, and career development are strictly based on character, competence, and merit. To achieve hiring the best individuals, our recruitment processes are tailored to harness fair competition, while identifying the most suitable candidates in each required field, who will contribute immensely to the growth of our company.

Health, Safety and Employee Welfare
The Company is very conscious of the safety requirements both of its guests and employees; therefore, stringent precautions are taken to ensure they are provided conducive and safe working environment at locations where the employees are located, including the corporate head office, estates, and project sites. There is access to first aid amenities at these locations which are to be used in line with safety regulations. Employees are also covered under Health Insurance schemes.

Employee Recognition and Incentive Scheme
Management openly acknowledges and recognizes employees who have performed exceptionally well in the course of each year. Gift vouchers are often awarded for individual performances. There are also incentives that are tailored to foster engagement and encourage team performance. All these are aimed at boosting employee morale which in turn impact productivity and sales for the Company.

Employee Engagement and Team Communication
UPDC recognizes that the employees are an integral part of the business and to this end, certain events are organized to boost staff morale. Employees are fully involved in strategy formulations and executions for their respective business units. This aims at encouraging business plan ownership and commitment at all levels. Team Retreats, Business Review Meetings, Strategy Review Sessions, Project Integration Meetings and Town Hall Meetings are held for cross-exchange of ideas and crucial business information dissemination. In recent times, we have embraced the use of technology to have more hybrid forms of meeting.

Learning and Development
Employees are encouraged in their quests for personal and professional development. We adopt a training methodology that fosters free exchange of knowledge internally. Self-development is also encouraged and monitored, while the Company organises training programs in conjunction with external facilitators for career advancement. The trainings involved technical and people development training objectives which align with employee needs. The post training feedback indicated a positive Return on Investment (ROI).

Performance Management
Performance Management strategies are structured to achieve the maximum productivity levels from all employees while maintaining a healthy and motivated workforce. UPDC's business objectives are set, cascaded, and monitored periodically to ensure alignment with overall business goals. Trainings on performance management standards are held periodically and compliance is also monitored.

Employee Wellness and Wellbeing
The Company prioritizes employee wellbeing and mental health. The focus on nurturing employee's well-being is critical to the development of workplace resilience. The Company organizes initiatives and interventions for the improvement of health and the wellbeing of its employees periodically, to boost employee productivity and overall output. Employees are encouraged to engage in programs focused on the improvement of a healthy lifestyle, with positive impacts on the mental, emotional, physical and social well-being. Some of the wellness initiatives implemented during the year include:

- An approved medical aid scheme for all employees.
- Compulsory Annual Health Checks for all employees, on-site physical health checks, healthier living and maintaining a good work-life balance.

Directors' Report - Continued

- Health Insurance cover for employees through the Health Maintenance Organizations (HMOs).
- Regular advisory and health talks during health awareness sessions, work life balance initiatives which include remote work policies.
- A work environment free from health hazards and the continuous provision of resources that create a conducive and ergonomic workplace.
- Paid time off for all medical, maternity and paternity leave.
- A daily meal is provided to staff while on duty.

Information Technology Upgrades

Information Technology is embedded into the Company operations and seeks to provide a stable, up to date information technology infrastructure for the improvement of the working environment, increased productivity and cyber security. The technological advancements include:

1. Software use for smarter work and improved productivity; this encompasses various applications with social distancing technics to reduce physical interactions at the workplace.
2. A centralized office 365 SharePoint Library, set up for ease of document sharing among employees and the backup of official documents, to create a reduction in data loss, accidents or theft.
3. The implementation of a centralized Storage Area Network (SAN) for safe storage and backup for all employee files through integration in the system network.
4. Antivirus Upgrade to maintain a safe cyber environment which matches advancements in emerging threats.

Internship Management

The internship programme is an initiative, designed to develop and create a talent pool. It seeks to provide learning opportunities and practical work experience for career development in young undergraduates (SIWES/Industrial Attachment). The interns acquire technical and soft skills, based on exposure to the business practices through various learnings modules.

BY ORDER OF THE BOARD

Folake Kalaro (Mrs.)
Company Secretary
FRC/2018/NBA/00000017754

Corporate Governance Report

Introduction

The Board of UPDC Plc (UPDC or the Company) is committed to high standards of corporate governance, which it considers critical to business integrity and to maintaining investors' trust in the Company. The Company expects all its Directors and employees to act with honesty, integrity, and fairness. The Company strives to act in accordance with the laws and regulations in Nigeria, adopt proper standards of business practice and procedure and operate with integrity.

The Board

Under the Articles of Association of the Company (the Articles), the Board is responsible for controlling and managing the business of the Company. It may exercise such powers of the Company as are not by statute or the Articles to be exercised by the Company in General Meeting.

The primary objective of the Board of Directors (Board) is to build long-term shareholder value with due regard to other stakeholder interests. It does this by setting strategic direction and context, such as the Company's mission, vision and core values, policies and objectives and focusing on issues critical for its successful execution such as staffing, executive training, succession planning, performance, and risk management.

The Board of the Company is made up of four (4) Non-Executive Directors and two (2) Executive Directors. The Board is headed by a Non-Executive Chairman who is separate from the Chief Executive Officer who heads the management of the Company. The current Directors of the Company and their classifications are as follows:

Mr Oluwole Oshin	Non-Executive Chairman
Mr Odunayo Ojo	Chief Executive Officer
Ms Bidemi Fadayomi	Development Director
Mr Folasope Aiyesimoju	Non-Executive Director
Mr Oyekunle Osilaja	Non-Executive Director
Mr Adeniyi Falade	Non-Executive Director

All the Directors had access to the advice and services of the Company Secretary. With the approval of the Chairman of the Board, they may take advice from external professionals in areas where such advice will improve the quality of their contributions to Board deliberation and decision-making process.

The following are the matters reserved for the Board of Directors of the Company:

1) Formulation of policies, strategy and overseeing the management and conduct of the business.
2) Formulation and management of risk management framework.
3) Succession planning and the appointment, training, remuneration and replacement of Board members and senior management.
4) Overseeing the effectiveness and adequacy of internal control systems.
5) Overseeing the maintenance of the Company's communication and information dissemination policy.
6) Performance appraisal and compensation of board members and senior executives.
7) Ensuring effective communication with shareholders, stakeholders, the investing public.
8) Ensuring the integrity of financial controls and reports.
9) Ensuring that ethical standards are maintained.
10) Ensuring compliance with the Company's Memorandum and Articles of Association, applicable laws, regulations, standards and Code of Corporate Governance by the Company and its Business Units.
11) Definition of the scope of delegated authority to Board Committees and management and their accountabilities.
12) Definition of the scope of corporate social responsibility through the approval of relevant policies; and
13) Approval and enforcement of a Code of Ethics and Business Practices for the Company and Code of Conduct for Directors.

Board Appointment Process, Induction and Training of Members

The Board Remuneration & Governance Committee serves as the nomination committee for recommending candidates to fill vacant positions on the Board. The process of appointing Directors includes declaration of a vacancy at a Board meeting, assessment of the relevant requirements (such as gender, age, technical and soft skills, geographical spread, experience and international exposure), sourcing of the curriculum vitae for suitable candidates, carrying out necessary background checks, informal interviews & interactions, and recommendation of suitable candidate(s) by the Board

Corporate Governance Report - Continued

Remuneration & Governance Committee to the Board for approval. A Director appointed by the Board is presented to the next Annual General Meeting for election in line with statutory requirements. A third of members of the Board retire by rotation at the Annual General Meetings.

Every newly appointed Director receives a comprehensive letter of appointment detailing the terms of reference of the Board and its Committees, the Board structure, schedule of Board meetings, his/her entitlements and demand on his/her time because of the appointment. Significant Company documents such as the Memorandum and Articles of Association of the Company, the previous Annual Report & Accounts, the National Code of Corporate Governance, Code of Business Conduct etc are also sent to the Director to enable him/her to understand the Company, its history, culture, core values, governance framework, business principles, people, operations, brands, projects, processes, and plans. A new Director undergoes an induction/orientation process whereby he/she is introduced to the leadership team and get acquainted with business operations. Periodic trainings are organised for Board members from time to time.

Board Evaluation
The Board has established a system of independent annual evaluation of its performance, that of its committees and individual Directors. In this regard, the Society for Corporate Governance Nigeria was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2023. The Board believes that the use of an independent consultant promotes the objectivity and the transparency of the evaluation process.

The annual appraisal covered all aspects of the Board's composition, structure, responsibilities, relationships, processes, individual members competencies and respective roles in the overall performance of the Board, as well as the Company's compliance status with the provisions of the Code of Corporate Governance. The result also confirmed that the individual Directors and the Board continue to operate at a high level of effectiveness and efficiency.

Board Compensation
Consistent with the Company's policy, remuneration of Executive Directors is fixed by the Board Remuneration and Governance Committee, which also has the responsibility of making recommendations to the Board on all payments made to Executive Directors.

Non-Executive Directors are renumerated in line with the Company's policy of providing them with fixed annual fees and sitting allowances for their services on the Board and Committees.

Board Meetings
The Board met four (4) times during the 2023 financial year. The following table shows the attendance of Directors at the Board meetings:

DIRECTORS	14/3	27/4	19/7	19/10
Mr Oluwole Oshin	P	P	P	P
Mr Odunayo Ojo	P	P	P	P
Ms Bidemi Fadayomi	P	P	P	P
Mr Folasope Aiyesimoju	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P
Mr Adeniyi Falade	P	P	P	P

Key:
P - Present

Board Committees
The Board exercises oversight responsibility through its standing Committees, each of which has a Charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting line to the Board. In line with best practice, the Chairman of the Board is not a member of any Committee. The Board has four (4) Committees namely: the Board Finance, Investment and Operations Committee, the Board Risk, Audit and Compliance Committee, the Board Renumeration and Governance Committee and the Statutory Audit Committee.

Corporate Governance Report - Continued

While the various Board Committees have the authority to examine issues within the terms of reference and report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board.

Finance, Investment and Operations Committee
The Committee supports the Board's responsibilities relating to the financial affairs of the Company and to make recommendations to the Board in connection with the Company's investment, financing and operational activities.

Members
Mr Adeniyi Falade – Chairman
Mr Folasope Aiyesimoju
Mr Oyekunle Osilaja
Mr Odunayo Ojo
Ms Bidemi Fadayomi

The Committee is responsible for ensuring investment guidelines comply with legal and regulatory requirements and that investment activities reflect the goals/strategy of the Company. The Committee also:

- Provides strategic assistance to Management and the Board on finance, administration and general matters concerning the Company.
- Periodically review changes in the economic and business environment, including emerging trends and other factors relevant to the Company's business.
- Reviews the Company's Accounts and oversight of Management's compliance with budget.
- Reviews the Company's real property holdings and approve all development and execution strategy of the Company

The Committee Meetings
The Committee met six (6) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

Directors	**27/3**	**24/4**	**12/5**	**10/7**	**18/7**	**18/10**
Mr Adeniyi Falade	P	P	P	P	P	P
Mr Folasope Aiyesimoju	P	P	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P	P	AWA
Mr Odunayo Ojo	P	P	P	P	P	P
Ms Bidemi Fadayomi	P	P	P	P	P	P

Key:
P: Present
AWA: Away with Apology

The Risk, Audit and Compliance Committee
The Committee supports the Board's responsibilities relating to the risk management and effectiveness of internal controls of the Company and to make recommendations to the Board in connection with the Company's risk management and internal control policies and framework.

Members
Mr Folasope Aiyesimoju – Chairman
Mr Adeniyi Falade
Mr Oyekunle Osilaja
Mr Odunayo Ojo
Ms Bidemi Fadayomi

The Committee reviews and recommends for approval of the Board, the risk management policies and framework, as well as assist the Board in its oversight of risk management strategy.

Corporate Governance Report - Continued

The Committee also:

- Exercises oversight over the process for the identification and assessment of risks across the Company and the adequacy of prevention, detection and reporting mechanisms.
- Exercises oversight over management's processes to ascertain the integrity of the Company's financial statements, compliance with all applicable legal and other regulatory requirements; and assess qualifications and independence of the external auditors, and the performance of the Company's internal audit function as well as that of the external auditors.
- Ensures the establishment of and exercise oversight on the internal audit function which provides assurance on the effectiveness of the internal controls.
- Ensures the development of a comprehensive internal control framework for the Company, obtain appropriate (internal and/or external) assurance and report annually in the Company's audited financial report, on the design and operating effectiveness of the Company's internal controls over the financial reporting systems; and
- Oversee the process for the identification of fraud risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place.

Committee Meetings
The Committee met three (3) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

DIRECTORS	17/4	19/7	18/10
Mr Folasope Aiyesimoju	P	P	P
Mr Adeniyi Falade	P	P	P
Mr Oyekunle Osilaja	P	P	AWA
Mr Odunayo Ojo	P	P	P
Ms Bidemi Fadayomi	P	P	P

Key:
P - Present
AWA – Away with Apology

The Remuneration & Governance Committee
The Committee supports the Board’s responsibilities relating to board appointments, governance matters and remuneration and to make recommendations to the Board in connection with appointment of directors, remuneration, succession, performance evaluation and governance matters.

Members
Mr Oyekunle Osilaja - Chairman
Mr Folasope Aiyesimoju
Mr Adeniyi Falade

Committee’s Meetings
The Committee met two (2) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

DIRECTORS	24/4	17/10
Mr Oyekunle Osilaja	P	P
Mr Fola Aiyesimoju	P	P
Mr Adeniyi Falade	P	P

Key:
P - Present

Corporate Governance Report - Continued

The Statutory Audit Committee
The statutory Audit Committee consists of five members made up of three representatives of the shareholders elected at the previous Annual General Meeting for tenure of one year and two representatives of the Board of Directors. The meetings of the Committee which are held quarterly were attended our Internal Audit Manager and when necessary, by representatives of Deloitte & Touché, our External Auditors.

Members
Mr Joe Anosikeh - Chairman
Alhaji Gbadebo Olatokunbo
Eng. Taiwo G. Fawole
Mr Uchenna Nnamdi Nnadozie
Mr Oyekunle Osilaja
Mr Adeniyi Falade

Committee's Meetings
The following table shows members' attendance at the four (4) meetings of the Committee in 2023:

DIRECTORS	13/3	18/4	18/7	17/10
Mr Joe Anosikeh	P	P	P	P
Alhaji Gbadebo Olatokunbo	P	P	NLM	NLM
Mr Uchenna Nnamdi Nnadozie	NYM	NYM	P	P
Engr Taiwo Fawole	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P
Mr Adeniyi Falade	P	P	P	P

Key:
P - Present
NYM– Not Yet a Member
NLM – No Longer a Member

The Committee is authorized by CAMA 2020 to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- Review the scope and planning of audit requirements.
- Review the findings on management matters in conjunction with the external auditor and departmental responses thereon.
- Keep under review the effectiveness of the company's system of accounting and internal control.
- Make recommendation to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company.
- Authorize the Internal Auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee; and
- Receive quarterly/periodic reports from the internal audit unit.

In addition, the SEC Code of Corporate Governance also assigns specific responsibilities to the Committee.

Company Secretary
The Company Secretary plays an important role in supporting the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices and culture within the Company. The Company Secretary ensures adequate dissemination of information among Board members and between the Board and the Management of the Company. In furtherance of Board and Committee meetings, the Company Secretary undertakes the preparation of the necessary papers and other documents requisite for the success in deliberations.

The Company Secretary is responsible for providing the Board and Directors individually, with detailed guidance on how their responsibilities should be properly discharged in the best interest of the Company.

Corporate Governance Report - Continued

The Office of the Company Secretary ensures that the Company complies with the relevant regulatory laws including the Investment and Securities Act, the Securities and Exchange Commission (SEC) Rules and Regulations, the Securities and Exchange Commission (SEC) Code of Corporate Governance, the Nigerian Code of Corporate Governance, the Companies and Allied Matters Act, the Nigeria Exchange Limited's Rules and Regulations, amongst others.

The procedure for the appointment and removal of the Company Secretary is a matter for the Board.

Diversity
The Company acknowledges that a diverse workforce is of significant social and commercial value and important to being an inclusive Employer. The Company accepts the value that diversity can bring, which includes:

- Providing greater alignment
- Improving creativity and innovation
- Broadening the skills and experience of the labour pool from which Custodian can draw and attract top talent to our business.

The Company strives to create a work environment which is inclusive to all people regardless of gender, age, race, disability, cultural background, religion, family responsibilities or any other area of potential difference. All areas of diversity are important, and the Company pays particular attention to gender diversity.

Succession Planning
The Board Remuneration and Governance Committee is tasked with the responsibility for the Company's succession planning process. The Committee identifies critical positions on the Board and the Executive Management Level that are deemed important to the achievement of the Company's business objectives and strategies and have a significant impact of the Company.

The Company has a robust policy which is aligned to the Company's performance management process. The Policy seeks to identify the competency requirements of critical and key positions, assess potential candidates, and develop required competency through planned development and learning initiatives.

Whistleblowing Procedure
In line with the Board's commitment to instill the best corporate governance practices, a Whistleblowing Policy ("Policy") was adopted by the Company. The Policy provides a channel for the Company's Employees and other relevant Stakeholders to raise concerns about workplace malpractices confidentially to enable the relevant authorities investigate and deal with such in a manner consistent with the Company's policies and regulations. The Policy also provides for protection against harassment or victimization of employees who report genuine concerns, malpractice or illegal acts or omissions by Directors and Employees.

UPDC's Whistle-blowing policy ensures that whistle-blowing assists in uncovering significant risks in line with best practices. Under the Policy, a whistle-blower who in good faith, reports suspected violations or attempted violation of the policy or who reports a request or offer of a corrupt payment is protected. A form for this purpose is available on the Company's website.

Control Environment
The Board reviews the Control environment of the Company at its quarterly meeting and ensures that audit recommendations are fully implemented by all concerned. A Fraud Policy is in place to promote consistent organizational behaviour by providing guidelines and assigning responsibilities for the deployment of controls and conduct of investigation. The Fraud Policy is complemented by the Sanctions Grid whereby the Board sends a strong message to the employees on the Company's zero tolerance level for persistent audit exceptions and unimplemented audit recommendations. The Internal Audit Unit is in place to strengthen the control environment.

Trading in Security Policy
In compliance with the Rules of the Nigerian Exchange Limited (NGX), we have put in place a Securities Trading Policy to guide employees and Directors of the Company, persons closely connected to them, and all insiders of the Company on trading in the securities of the Company. Under the policy, the closed period shall be effective from end of a relevant quarter up to twenty-four (24) hours after the price sensitive information is submitted to the NGX. The trading window

shall thereafter be opened. We hereby confirm that no Director traded in the securities of the Company within the closed period.

Shareholders Complaints Management Policy
We have put in place a Complaints Management Policy to handle and resolve complaints from our Shareholders and investors. The Company's senior management is responsible for the implementation of the Policy which is on the Company's website.

Compliance with the Code of Corporate Governance
The Company has complied with the provisions of the 2011 Code of Corporate Governance for Public Companies in Nigeria and 2018 National Code of Corporate Governance.

Communication with Third Parties
The Company's Directors are of the opinion that it is Management's responsibility to speak for the Company regarding communications with third parties, such as Investors, the Press and Public in general. Directors only engage in such communication at the request of or after consultation with Management.

BY ORDER OF THE BOARD

Folake Kalaro (Mrs.)
Company Secretary
FRC/2018/NBA/00000017754

Board Evaluation Report for the Board

Executive Summary

The Society for Corporate Governance Nigeria was engaged to conduct an independent evaluation/assessment of the performance of UPDC Plc for 2023 as part of stipulated regulatory requirements. This executive summary provides a concise overview of the comprehensive Board evaluation conducted.

Introduction

The Board Evaluation Report provides an in-depth analysis of the governance practices and performance of UPDC Plc during the evaluation period. This executive summary highlights key findings and recommendations to enhance governance effectiveness and drive organizational success.

Methodology

The evaluation process involved a combination of self-assessment surveys, peer assessment surveys, desk reviews, and individual interviews. These methods ensured a comprehensive and unbiased understanding of the Board's dynamics and adherence to corporate governance principles.

Scope

The evaluation covered the following areas:

- Composition, commitment, and alignment of the skills/qualifications of directors with business requirements and performance
- Composition/effectiveness of the committees
- Compliance with existing regulatory requirements
- Effectiveness of directors in delivery of their fiduciary responsibilities
- Effective transparency and disclosure channels

Key Findings

The evaluation highlighted several strengths in UPDC Plc's governance practices, including strong leadership characterized by proactive engagement in strategic decision-making, commitment to upholding ethical standards, and adherence to regulatory requirements. Additionally, the composition of the Board emerged as a strength, with diverse expertise and backgrounds contributing to well-rounded discussions and informed decision-making. The Board demonstrated effective communication channels, robust oversight mechanisms, and a culture of accountability.

However, areas for improvement were also identified and have been outlined in the Board Evaluation Report.

Implementing these recommendations will strengthen the Board's effectiveness, ensuring it remains adaptive and aligned with the highest standards of corporate governance.

Conclusion

The Board has demonstrated its dedication and commitment to governance excellence and the growth and success of the Company. This is demonstrated by individual contributions and performance, attendance at Board and Committee meetings, and the depth of discussions and resolutions arrived at during these meetings. There is also an alignment between the competencies of directors and the requirements/needs of the Company.

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA
Leadership and Integrity

Overall, it is with satisfaction that we affirm UPDC Plc's Board's conduct of its affairs during the entirety of 2023. The Board's performance met acceptable and satisfactory standards, demonstrating diligence, effectiveness, and adherence to best practices in corporate governance.

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA

Chioma Mordi (Mrs.)
Chief Executive Officer
FRC/2014/NIM/00000007899

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Statement of Director's Responsibility for Annual Consolidated and Separate Financial Statements

The Directors of UPDC Plc are responsible for the integrity of the annual financial statements of the company, consolidated subsidiary, associates and the objectivity of their information presented in the annual report. The fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, the maintenance of an organisational structure which provides delegation of authority and establishes clear responsibility, together with constant communication and review of operational performance measured against approved plans and budgets.

Management and employees operate in terms of code of ethics approved by the Board of the Company. The code requires compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business.

The annual financial statements, prepared in line with IFRS Accounting Standards as issued by International Accounting Standards Board, the provisions of Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria Act No 6 of 2011, are examined by our auditors in conformity with International Standards on Auditing.

An audit committee comprising three (3) representatives of the shareholders and two (2) board members meets periodically with our internal and external auditors as well as management to discuss internal accounting controls, auditing and financial reporting matters. The auditors have unrestricted access to the audit committee.

The Directors have no reason to believe that the company's operations will not continue as going concern in the year ahead other than where disclosures of discontinuations are anticipated, in which case provision is made to reduce the carrying cost of the relevant assets to net realisable value.

Signed on behalf of the Directors:

Wole Oshin	Odunayo Ojo
Chairman	**Chief Executive officer**
FRC/2013/CIIN/0000003054	FRC/2016/NIESV/00000014322

ENTERPRISE RISK MANAGEMENT REPORT

1.0 Introduction and Overview

UPDC Plc Group's Enterprise Risk Management (ERM) framework adopts a systematic and consistent approach to provide clear responsibility and accountability structures around risk and compliance. Effective Risk Management is fundamental and essential to the achievement of the Group's strategic objectives. Our commitment to strengthening business resilience and fostering a risk aware culture creates the foundation for sustainable performance and agility to respond to dynamic market conditions.

The Board of UPDC (the Board) has overall responsibility for overseeing the Group's risk management framework, reviewing the Group's key existing and potential risks and their respective mitigation strategies, and ensuring risk management effectiveness. Oversight is maintained through the Board's Risk, Audit and Compliance Committee (the RACC). The RACC holds regular meetings to review the management of these risks and to review the effectiveness of mitigation strategies and controls.

Our risk management framework design is based on the "Three Lines of Defense" model. The model ensures that risk is managed in line with the risk appetite as defined by the Board and is cascaded throughout the Group. In this model, the process owners are 'The First Line of Defense'. Process owners are responsible for risk identification, prevention and implementation of internal controls as set by the second and third lines of defense. The Internal Control Department functions as the 'Second Line of Defense', which monitors risks and reports to the relevant stakeholders. The department ensures compliance with established risk management processes and its reporting. The primary objective of the internal control function is to ensure that existing controls are effective and adequate for risk management. The Third Line of Defense is the Internal Audit function, reporting to the Board by providing objective and independent assurance to the Board and Senior Management on the effectiveness of existing risk management, control, and governance processes.

2.0 Enterprise Risk Management Process

At UPDC Plc (UPDC), it is our overriding policy and philosophy that the management of risk is the responsibility of everyone, therefore, ERM is part of our culture. We integrate the capabilities and practices required for effective ERM with strategy setting and performance management.

2.1 Philosophy and Principles

The following are our ERM principles:

- Tone at the Top: The Board and Senior Management shall set the tone by establishing and promoting a strong culture of risk awareness and adherence to risk limits.
- Risk Ownership: Every employee shall proactively manage risks in their day-to-day activities i.e. risk management is a shared responsibility.
- Strategy Setting: Every business unit shall integrate risk management and accountability into its business strategy and decision- making process.
- Culture: A culture of proactive identification of future uncertainties and adequately planning for them without inhibiting growth and innovation.
- Training & Empowerment: Every member of staff shall be trained to integrate risk management in their respective day to day. operations. Internal Control Officers will be empowered to perform their duties professionally and independently.
- Transparency: We encourage clear and consistent communication on risks.
- Compliance: We have zero-tolerance for non-compliant behaviours such as the breach of laws, regulations, and Group policies.

2.2 Strategy and Objectives

Our ERM Framework is designed to achieve the following objectives:

- Develop a risk culture that encourages our staff to identify risks and associated opportunities and to respond to them with cost effective actions.
- Integrate risk management into our strategy-setting and decision-making process.
- Improve our ability to identify risks that exist within business opportunities and proactively develop mitigation plans to maximize such opportunities.
- Enhance business performance and improve stakeholders' confidence and trust by minimizing operational surprises and losses; and
- Establish and sustain top-down awareness of risk management within the Group.

3.0 Governance

The Board through the Risk, Audit & Compliance Committee (RACC) oversees the Group's risk management framework, reviews the Group's key existing and potential risks and their respective mitigation strategies, and ensures risk management effectiveness. However, the overall responsibility for risk management resides with the Board. The RACC holds quarterly meetings to review the management of these risks and effectiveness of mitigation strategies and controls and actively identify the positive business opportunities in relation to these risks.

Our stakeholders need to have a consistent and comprehensive understanding of the ERM goals for the Group. Stakeholders' alignment and engagement are critical to the success of our risk management efforts. To ensure the effectiveness of our risk management process, the responsibilities have been assigned as follows:

3.1 The Board of Directors

The Board of Directors has the primary responsibility for risk oversight. The Board sets our overall risk appetite, approves the risk management strategy and is ultimately responsible for the effectiveness of the risk management process and system of internal control within UPDC. The Board oversees risk management through the RACC.

3.2 The RACC

The RACC is responsible for the following:

- Assisting the Board in its oversight of risk management and monitoring the Group's performance with regards to risk management.
- Reviewing the framework for the identification, measurement and management of risks and recommend to the Board for approval.
- Ensuring that risk management policies are integrated into the Group's culture.
- Reviewing the quarterly risk management reports and direct appropriate actions to be taken by senior management.
- Periodically evaluating the Group's risk profile and action plans to manage high risks.
- Monitoring progress on the implementation of risk management plans; and
- Ensuring that the Group's risk exposures are within the approved risk appetite.
- Engages with senior management and the Internal Control and Audit Department to ensure that risk management is adequate and results in the achievement of set corporate objectives.

UPDC 2023 ANNUAL REPORT AND ACCOUNTS

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF UPDC PLC

In compliance with Section 404(4) of the Companies and Allied Matters Act 2020, we have reviewed the audited Financial Statements of UPDC PLC ("the Company") for the year ended 31st December 2023 and report as follows:

(a) The accounting and reporting policies of the Group and the Company are consistent with legal requirements and agreed ethical practices.

(b) The scope and planning of the external audit for the year ended 31st December 2023 were, in our opinion adequate.

(c) We reviewed the findings and recommendations in the Internal Auditor's Report and External Auditor's Management Letter and were satisfied with the management responses thereto.

(d) The Company maintained effective accounting and internal control system.

Dated 18th day of April 2024

Surv. Joe O. Anosikeh
Chairman - Audit Committee
FRC/2014/NIS/00000008836

Members of the Committee

Surv. Joe O. Anosikeh	-	Chairman
Engr. Taiwo G. Fawole	-	Member
Mr Uchenna Nnadozie	-	Member
Mr Oyekunle Osilaja	-	Member
Mr Adeniyi Falade	-	Member

Secretary
Folake Kalaro (Mrs)

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of UPDC Plc
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements **of UPDC Plc** and its subsidiaries (together referred to as the Group) set out on pages 26 to 87, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in equity and consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **the group and the company** as at 31 December 2023, and its consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, Companies and Allied Matters Act, 2020, the Investment and Securities Act CAP S124 LFN 2007 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter
Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How the matter was addressed in the audit
Group Audit Consideration - Special Considerations for the Audit of Group Financial Statements	
The statutory audit of UPDC Plc includes the audit of the standalone financial statements of the parent company and the audit of the group consolidated financial statements which incorporates four subsidiaries and six joint ventures. The Group has operation and activities which include developing, selling, and managing real estate assets including maintenance, care, and sustainable power solutions for residential, corporate, and commercial properties and hotel management across Nigeria. Note 17 highlights a comprehensive list of all subsidiaries. Due to the significance and size of some of these subsidiaries within the group, a lot of audit time went in the direction, coordination, and supervision of the audit of these subsidiaries. Hence, we consider this to be a Key Audit Matter.	As the Group Engagement team, we performed the group audit in line with the provisions of ISA 600 (Special considerations—audits of group financial statements (including the work of component auditors). In line with the requirements of ISA 600, the following audit procedures were performed: • provided direction and supervision of the group audit engagement and ensure that all the teams involved in the audit of the group and its components performed the audit in compliance with professional standards and applicable legal and regulatory requirements. • established an overall group audit strategy and developed a group audit plan. • Set materiality for the group financial statements as a whole when establishing the overall group audit strategy. • Determined the type of work to be performed on the Financial Information of Components – significant and non-significant components. • Held meetings and two-way communication with the Component Auditors with focus on discussing typical topics that are discussed in client's meetings throughout the audit. • Performed an assessment of the component auditors in terms of Independence, competence, quality history and level of access to information. • Issued referral instructions to the significant component audit team. The referral instructions contained specific instructions on judgement areas and significant account balances. • Arranged review of the file and relevant part of the component auditors' audit documentation and conclusions thereon including planning considerations, significant risk areas and attention areas communicated in the Referral Instructions. • Performed analytical procedures at group level for non-significant components. • Reviewed the group financial statements and the consolidation process. • Held communication with group management and Those Charged with Governance of the group. Based on the review we have performed, and documentation assessed, we have no material exceptions.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the "UPDCs Plc Consolidated and Separate Financial Statements", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Report, Statement of corporate responsibility for the financial statements and Other National Disclosures as required by the Companies and Allied Matters Act, 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, the requirements of the Companies and Allied Matters Act, the Investment and Securities Act CAP S124 LFN 2007 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Deloitte.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements
In accordance with the Fifth Schedule of the Companies and Allied Matters Act, 2020 we expressly state that:

i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

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

Hassan Lawal, FCA - FRC/2013/ICAN/00000001382
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
8 May 2024

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

		The Group		The Company	
		31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
	Notes	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	5	5,343,622	5,896,957	2,397,109	3,870,963
Cost of sales	7(i)	(3,442,302)	(4,289,233)	(1,619,274)	(3,030,515)
Gross profit		**1,901,320**	**1,607,724**	**777,835**	**840,448**
Selling and distribution expenses	7(ii)	(111,240)	(76,131)	(86,086)	(69,535)
Administrative expenses	7(iii)	(1,637,117)	(1,275,615)	(668,591)	(607,569)
Other operating income	6	501,063	298,053	617,438	390,596
Credit Loss (expense)/write-back	9	(84,924)	157,092	(122,422)	158,298
Share of loss from joint venture	9	(5,506)	(3,279)	(5,506)	(3,279)
Operating profit		**563,596**	**707,844**	**512,668**	**708,959**
Finance income	8	239,528	86,367	227,197	77,611
Finance cost	8	(423,189)	(463,613)	(423,189)	(463,613)
Net finance cost	8	(183,661)	(377,246)	(195,992)	(386,002)
Profit before taxation		**379,935**	**330,598**	**316,676**	**322,957**
Taxation	10	(158,430)	(130,066)	(24,023)	(26,251)
Profit after taxation		**221,505**	**200,532**	**292,653**	**296,706**
Other comprehensive income:					
Items not to be subsequently reclassified to profit or loss:					
Net changes in fair value gain/(loss) on financial assets	16	453,606	(193,450)	453,606	(193,450)
Total comprehensive profit for the year		**675,111**	**7,082**	**746,259**	**103,256**
Profit attributable to:					
Equity holders of the parent		253,513	159,658	292,653	296,706
Non-controlling interest	17	(32,008)	40,874	-	-
Total profit		**221,505**	**200,532**	**292,653**	**296,706**
Total comprehensive profit/(loss) attributable to:					
Equity holders of the parent		707,119	(33,792)	746,259	103,256
Non-controlling interests		(32,008)	40,874	-	-
Total comprehensive profit		**675,111**	**7,082**	**746,259**	**103,256**
Basic Earnings Per Share (Kobo)					
From continuing operations	12	1	1	2	2
Diluted Earnings Per Share (Kobo)					
From continuing operations	12	1	1	2	2

The accompanying notes and accounting policies on pages 31 to 87 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position
As at 31 December, 2023

		The Group			The Company		
			Restated*	Restated*		Restated*	Restated*
	Notes	31 Dec 23 N'000	31 Dec 22 N'000	1-Jan-22 N'000	31 Dec 23 N'000	31 Dec 22 N'000	1-Jan-22 N'000
Assets							
Non-current assets							
Property, plant and equipment	13	8,334,497	8,390,160	49,928	69,879	28,744	31,402
Intangible assets	14	52,199	45,442	16,389	7,886	10,970	14,315
Investments in joint ventures	15	120,141	125,647	128,926	119,337	124,843	128,122
Equity instrument at fair value	16	853,846	400,240	593,690	853,846	400,240	593,690
Investments in subsidiaries	17	-	-	-	1,616,697	1,616,697	1,616,697
		9,360,683	**8,961,489**	**788,933**	**2,667,645**	**2,181,494**	**2,384,226**
Current assets							
Inventories	18	3,200,158	5,265,759	6,084,508	3,148,590	3,927,220	4,468,168
Trade and other receivables	19	2,037,980	1,911,918	2,659,415	2,019,295	1,981,131	2,582,801
Current tax assets	10(i)	147,200	127,762	96,908	147,200	127,762	96,908
Cash at bank and in hand	20	4,918,009	3,161,475	1,878,320	4,097,627	2,532,109	1,329,891
		10,303,347	**10,466,914**	**10,719,151**	**9,412,712**	**8,568,222**	**8,477,768**
Assets of disposal group classified as held for sale/distribution to owners		-	-	8,086,682	-	-	-
Total assets		**19,664,030**	**19,428,403**	**19,594,766**	**12,080,357**	**10,749,716**	**10,861,994**
Equity							
Share capital	26	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	26(i)	8,971,551	8,971,551	8,971,551	8,971,551	8,971,551	8,971,551
Fair value reserve of financial assets at FVOCI		286,839	(166,767)	26,683	286,839	(166,767)	26,683
Other reserves		-	-	391,420	-	-	391,420
Retained earnings	26(ii)	(9,581,075)	(9,834,588)	(10,681,039)	(17,252,684)	(17,545,337)	(17,842,043)
Equity attributable to equity holders of the Company		8,957,300	8,250,181	7,988,600	1,285,691	539,432	827,596
Non-controlling interest		(121,877)	(59,583)	(100,457)	-	-	-
Total equity		**8,835,423**	**8,190,598**	**7,888,143**	**1,285,691**	**539,432**	**827,596**
Liabilities							
Non-current liabilities							
Interest bearing Loans and Borrowings	21	4,702,096	4,702,096	5,511,653	4,702,096	4,702,096	5,511,653
Deferred taxation liabilities	25	72,537	73,016	79,357	72,537	72,537	72,537
		4,774,633	**4,775,112**	**5,591,010**	**4,774,633**	**4,774,633**	**5,584,190**
Current liabilities							
Trade and other payables	22	5,815,764	6,247,920	4,690,142	5,918,169	5,327,596	4,273,066
Current income tax liabilities	10	167,485	144,048	138,964	31,139	37,330	78,532
Interest bearing Loans and Borrowings	21	70,725	70,725	-	70,725	70,725	-
Deferred revenue	24	-	-	98,610	-	-	98,610
		6,053,974	**6,462,693**	**4,927,716**	**6,020,033**	**5,435,651**	**4,450,208**
Liabilities of disposal group classified as held for sale/distribution to owners		-	-	1,187,897	-	-	-
Total liabilities		**10,828,607**	**11,237,805**	**11,706,623**	**10,794,666**	**10,210,284**	**10,034,398**
Total equity and liabilities		**19,664,030**	**19,428,403**	**19,594,766**	**12,080,357**	**10,749,716**	**10,861,994**

* Refer to note 30 for restatement of comparative figures.

The Consolidated and Separate financial statements were approved by the board of directors on 22 April 2024 and signed on its behalf by:

Wole Oshin
Chairman
FRC/2013/CIIN/00000003054

Odunayo Ojo
Chief Executive Officer
FRC/2016/NIESV/00000014322

Grant Akata
Chief Financial Officer
FRC/2023/PRO/ICAN/001/146924

The accompanying notes and accounting policies on pages 31 to 87 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity

The Group

	Attributable to owners of the Company							
	Share Capital N'000	**Share Premium N'000**	**Revenue Reserve N'000**	**Other Reserves N'000**	**Fair value reserve of financial assets at FVOCI N'000**	**Total N'000**	**Non-Controlling Interest N'000**	**Total N'000**
Balance at 1 January 2023	9,279,985	8,971,551	(9,834,588)	-	(166,767)	8,250,180	(59,583)	8,190,597
Profit for the year	-	-	253,513	-	-	253,513	(32,008)	221,506
Dividend paid	-	-	-	-	-	-	(30,286)	(30,286)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	453,606	453,606	-	453,606
Balance at 31 December 2023	**9,279,985**	**8,971,551**	**(9,581,075)**	**-**	**286,839**	**8,957,300**	**(121,877)**	**8,835,423**
Balance at 1 January 2022 (as restated)	9,279,985	8,971,551	(10,681,039)	391,420	26,683	7,988,600	(100,457)	7,888,143
Profit for the year	-	-	159,658	-	-	159,658	40,874	200,532
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	(193,450)	(193,450)	-	(193,450)
Gain on reclassification of asset of disposal group held for sale	-	-	686,792	-	-	686,792	-	686,792
Release of Gain on revaluation of Shareholders Loan	-	-	-	(391,420)	-	(391,420)	-	(391,420)
Balance at 31 December 2022 (as restated)*	**9,279,985**	**8,971,551**	**(9,834,588)**	**-**	**(166,767)**	**8,250,180**	**(59,583)**	**8,190,597**
Balance at 1 January 2021 (as earlier stated)	9,279,985	8,971,551	(8,650,442)	-	166,767	9,767,861	(48,493)	9,719,368
Correction of error in value of investment in subsidiaries	-	-	(103,019)	-	-	(103,019)	(103,019)	(206,038)
Balance at 1 January 2021 (as restated see note 30)	9,279,985	8,971,551	(8,753,461)	-	166,767	9,664,842	(151,512)	9,513,330
Loss for the period	-	-	(1,927,578)	-	-	(1,927,578)	51,055	(1,876,523)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	(140,084)	(140,084)	-	(140,084)
Gain on revaluation of shareholder loan	-	-	-	391,420	-	391,420	-	391,420
Balance at 31 December 2021 (as restated)*	**9,279,985**	**8,971,551**	**(10,681,039)**	**391,420**	**26,683**	**7,988,600**	**(100,457)**	**7,888,143**

Refer to note 30 for restatement of comparative figures.

The accompanying notes and accounting policies on pages 31 to 87 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity - Continued

The Company

	Attributable to owners of the Company					
	Share Capital N'000	**Share Premium N'000**	**Revenue Reserve N'000**	**Other Reserves N'000**	**Fair value reserve of financial assets at FVOCI N'000**	**Total N'000**
Balance at 1 January 2023	9,279,985	8,971,551	(17,545,337)	-	(166,767)	539,432
Profit for the year	-	-	292,653	-	-	292,653
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	453,606	453,606
Balance at 31 December 2023	**9,279,985**	**8,971,551**	**(17,252,684)**	**-**	**286,839**	**1,285,691**
Balance at 1 January 2022 as restated	9,279,985	8,971,551	(17,842,043)	391,420	26,683	827,596
Profit for the year	-	-	296,706	-	-	296,706
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	(193,450)	(193,450)
Loan from equity holder**	-	-	-	(391,420)	-	(391,420)
Balance at 31 December 2022 (as restated)*	**9,279,985**	**8,971,551**	**(17,545,337)**	**-**	**(166,767)**	**539,432**
Balance at 1 January 2021 as earlier stated	9,279,985	8,971,551	(9,159,646)	-	166,767	9,258,657
Correction of error in value of investment in subsidiaries	-	-	(103,019)	-	-	(103,019)
Balance at 1 January 2021 as restated see note 30	9,279,985	8,971,551	(9,262,665)	-	166,767	9,155,638
Loss for the year	-	-	(8,579,378)	-	-	(8,579,378)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	(140,084)	(140,084)
Loan from equity holder**	-	-	-	391,420	-	391,420
Balance at 31 December 2021 (as restated)	**9,279,985**	**8,971,551**	**(17,842,043)**	**391,420**	**26,683**	**827,596**

**Loan from equity holder represents the difference between the loan amount and present value of the principal loan recognised as additional equity contribution in other reserves

* Refer to note 30 for restatement of comparative figures.
The accompanying notes and accounting policies on pages 31 to 87 form an integral part of these consolidated and separate financial statements.

Consolidated Statement of Cash Flows

		The Group		The Company	
		2023	2022	2023	2022
		December	December	December	December
	Notes	N'000	N'000	N'000	N'000
Profit before tax		**379,935**	**330,598**	**316,676**	**322,956**
Adjustment for non-cash items:					
Depreciation	13	115,665	38,145	12,615	9,961
Amortization of intangible asset	14	4,787	5,586	3,084	3,346
Share of Loss from Investment in Joint Venture	15(i)	5,506	3,279	5,506	3,279
Investment Income	6	(46,891)	(57,271)	(84,900)	(57,271)
Write back of Impairment on asset of disposal group held for sale		-	686,792	-	-
Finance cost	8	423,189	463,613	423,189	463,613
Finance income	8	(239,528)	(86,367)	(227,197)	(77,611)
Assets of disposal of property, Plant and equipment		-	(1,343,814)		
Exchange (gain)	6	(16,380)	(494)	(16,380)	(494)
Withholding tax utilized for tax	10	(25,403)	(2,310)	(25,403)	(2,310)
		600,880	**37,757**	**407,189**	**665,469**
Changes in working capital:					
Decrease in inventories	18	2,065,601	818,749	778,630	540,948
(Increase)/decrease in receivables	19&10(i)	(145,500)	716,641	(57,602)	570,814
(Decrease)/increase in trade and other payables	22	(432,153)	1,557,779	590,573	1,054,529
Decrease in deferred revenue	24	-	(98,610)	-	(98,610)
Cash flow from operating activities		**2,088,828**	**3,032,317**	**1,718,790**	**2,733,151**
Tax paid	10	(110,069)	(129,013)	(4,811)	(65,143)
Net Cash inflow from operating activities		**1,978,759**	**2,903,304**	**1,713,979**	**2,668,008**
Cash flow from investing activities					
Purchase of property, plant & equipment	13	(60,003)	(149,451)	(53,750)	(7,302)
Purchase of intangible asset	14	(11,546)	(33,039)	-	-
Proceeds from sale of property, plant and equipment		-	12,075	-	-
Dividend received	6	46,891	57,271	84,900	57,271
Interest received	8	239,528	86,367	227,197	77,611
Net cash flow from investing activities		**214,870**	**(26,777)**	**258,347**	**127,581**
Cash flow from financing activities					
Repayment of borrowings	21	-	(1,143,421)	-	(1,143,421)
Interest paid	21	(423,189)	(450,445)	(423,189)	(450,445)
Dividend paid to non-controlling		(30,286)	-	-	-
Net cash outflow from financing activities		**(453,475)**	(1,593,866)	**(423,189)**	(1,593,866)
Net increase in cash and cash equivalents		1,740,154	1,282,661	1,549,138	1,201,723
Net foreign exchange difference		16,380	494	16,380	494
Cash and cash equivalents at the beginning of the period	20	3,161,475	1,878,320	2,532,109	1,329,891
Cash and cash equivalents at the end of the period	20	**4,918,009**	**3,161,475**	**4,097,627**	**2,532,109**

The accompanying notes and accounting policies on pages 31 to 87 form an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

1. General information

UPDC Plc ('the Company') and its subsidiaries (together 'the Group') is a company incorporated in Nigeria. The Group and the Company have businesses with activities in the following principal sectors: real estate and hotel management. The address of the registered office is 1-5 Odunlami Street, Lagos.

The Company is a public limited company and is listed on the Nigerian Stock Exchange.

1.2 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) UPDC Plc maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement.

1.3 Management's Assessment of Internal Controls

The management of UPDC Plc is responsible for establishing and maintaining adequate internal control over financial reporting. UPDC's internal control system was designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair representation of published financial statements.

UPDC Plc's management assessed the effectiveness of the Company's internal controls within the reporting period. Based on our assessment, we believe that as of 31 December 2023, the Group and the Company's internal control is effective. We will continue to work on further strengthening this position.

2. Summary of Material accounting policies

The material accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board and IFRS Interpretations Committee (IFRSIC) interpretations applicable to companies reporting under IFRS as issued by International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria (Amendment) Act 2023 and the provisions of Companies and Allied Matters Act, 2020. The consolidated and separate financial statements have been prepared under the historical cost convention except for equity instruments at fair value through other comprehensive income, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The preparation of consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 4.
(All amounts are in Naira thousands unless otherwise stated)

2.1.2 Changes in accounting policy and disclosures

New and amended standards and interpretations

The Group and the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group and Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

i Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current - 1 January 2024
ii Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. Effective date of this amendment is yet to be set by IASB.
iii Amendments to IAS 1 Non-current Liabilities with Covenants - 1 January 2024
iv Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements - 1 January 2024
v Amendments to IFRS16 Lease liability in a sale and leaseback - 1 January 2024
vi IFRS 18 Presentation and Disclosure in Financial Statements – 1 January 2027

The company has assessed that the above amendments would not have material impact on the financial statements of the company when they become effective.

2.1.3.1 New standards and interpretations effective in the current year

The nature and effect of the changes as a result of adoption of these new accounting standards are described below. The amendments and interpretations apply for the first time in 2023, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standard, interpretation or amendment that have been issued but are not yet effective.

i. IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The company does not have any contracts that meet the definition of an insurance contract under IFRS 17.

ii. Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. There have been no changes to company's accounting policies in this regard and during the year however, policies relating to the company have been refined to only include material accounting policy information in line with the amendments to the existing standards.

iii. Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.25.

iv. Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

v. Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates.

The company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The definition of a change in accounting estimates was deleted.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group and the Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group and the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group and the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Profit or Loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, when necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates and joint ventures

Associates are all entities over which the Group and the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the investee after the date of acquisition. The Group and the Company's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group and the Company’s share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group and the Company’s share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group and the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group and the Company calculate the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to ‘share of profit/ (loss) of an associate’ in the Profit or Loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group’s financial statements only to the extent of unrelated investor’s interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

Dilution gains and losses arising on investments in associates are recognised in the Profit or Loss.

(e) Joint arrangements

The Group has applied IFRS 11 to all joint arrangements as of 1 January 2013. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be both joint operations and joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a joint venture equal or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group and the Company account for joint operation by treating the operation as its own operations by recognising its assets, including its share of any assets held jointly, its liabilities, including its share of any liabilities held jointly, its revenue from the sale of the output by the joint operation, its share of revenue from the sale of the output by the joint operation, its expenses, including its share of any expenses incurred jointly.
Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira (N), which is the parent and separate's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'Administrative expenses'.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other income, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each item of Statement of Financial Position presented are translated at the closing rate at the reporting date;

(b) income and expenses for each Profit or Loss item are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment.

Land and buildings comprise mainly of retail outlets and offices as well as hotel rooms.

Assets are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets are:

Leasehold buildings	Lease terms vary from 5 to 99 years
Plant and Machinery	
a) Heavy	5 to 7 years
b) Light	3 to 5 years
Motor Vehicles	
a) Commercial	7 to 10 years
b) Passenger	4 to 5 years
Furniture and Fittings	3 to 5 years
Computer equipment	3 to 5 years

The useful lives, residual values and methods of depreciation are reassessed at the end of each reporting period and adjusted if necessary.
The depreciation on property, plant and equipment is recognised in profit or loss in the year in which it occurred. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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

Subsequent expenditure relating to an item of equipment is capitalised when it is probable that future economic benefits will flow to the entity and the cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it incurred.

2.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Unless internally generated costs meet the criteria for development costs eligible for capitalisation in terms of IAS 38 (refer to accounting policy on Computer Software). All internally generated intangible assets are expensed as incurred.

The useful lives of intangible assets are either finite or indefinite. Intangible assets with finite lives are amortised over their useful lives and assessed for impairment when there is an indication that the asset may be impaired. The amortisation period and the method are reviewed at each financial year end. Changes in the expected useful life or pattern of consumption of future benefits are accounted for prospectively. Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment either individually or at the cash-generating level. The useful lives are also reviewed each period to determine whether the indefinite life assessment continues to be supportable. If not, the change in useful life assessment to a finite life is accounted for prospectively.

Computer software
Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recogniesd as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, that is, 5 years or 20%.

An intangible asset is derecognised on disposal or when no future benefits are expected from its use or disposal. The gain or loss on derecognition is the difference between any net disposal proceeds and carrying amount of the asset.

2.7 Investment properties
Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated group, are classified as investment properties. Investment properties comprise mainly of commercial projects constructed and acquired with the aim of leasing out to tenants.

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

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The Group makes use of internal and external valuation experts. Each property is valued by an external valuer annually.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

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

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

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

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in profit or loss against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

Leasehold investment properties represent properties acquired under government consent for 99 years.

2.8 Impairment of non-financial assets

The carrying value of assets is reviewed for impairment at each reporting date. Assets are impaired when events or changes in circumstances indicate that their carrying value may not be recoverable. If such indication exists and where carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Recoverable amounts are determined as the higher of fair value less costs to sell or value in use. Impairment losses and the reversal of impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

2.9 Financial Instruments-recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and Company has applied the practical expedient, the Group and Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Revenue from contracts with customers below.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Fair value through OCI financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. These include investments in shares.

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

For purposes of subsequent measurement, financial assets are classified into:

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group and Company. The Group and Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and Company's financial assets at amortised cost includes trade receivables, cash and cash equivalents and related parties receivables. A financial asset recoverable within one year is classified as current asset. If not, is is presented as non-current asset.

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

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and Company have retained.

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

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 4.1b
- Trade receivables and other financial assets Note 20"

The Group and Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (i.e. stage 1 - a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. stage 2 & 3 - a lifetime ECL).

Significant increase in credit risk
The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets that are subject to impairment for significant increase in credit risk.

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

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

For receivables from related parties (non-trade), and short-term deposits, the Group and Company apply general approach in calculating ECLs. It is the Group and Company's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group and Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

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

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

2.10 Financial Liabilities

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

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

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:
Trade and other payables
Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Other payables that are within the scope of IFRS 9 are subsequently measured at amortized cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

2.11 Financial guarantee contracts

Financial guarantees contracts are contracts that require the Group and Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given on behalf of debtors to secure loans.

The fair value of a financial guarantee contract is calculated as the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. Cost incurred on financial guaranteed contracts is usually expensed and reported in the Statement of Profit or Loss where no asset is recoverable in the course."

2.12 Offsetting financial instruments

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

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Profit or Loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.14 Inventories

Inventories include assets held for sale in the ordinary course of business (land and homes), assets (land, homes and infrastructure, including amenities) in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production (raw materials).

Inventories are stated at the lower of cost and estimated net realisable value. Cost comprises:

- Historical cost (or fair valuation) of land
- Other costs of purchase (including taxes, transport – where applicable, handling, agency etc) net of discounts received
- Costs of production or conversion to homes, infrastructure & amenities (including fixed and variable construction overheads and the cost of services and consultants involved in the production process, projects management costs – including cost of supervision and internal projects management) and
- Other costs incurred in bringing the inventories to their present location and condition.
- Capitalised borrowing costs in relation to qualifying assets direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Any write-down to NRV is recognised as an expense in the period in which the write-down occurs. Any reversal is recognised in the income statement in the period in which the reversal occurs.

The valuation of the inventories was carried out by an independently appointed asset valuer Diya Fatimilehin & Co. - FRC/2013/NIESV/00000000754) who hold recognised relevant professional qualifications and have relevant experience in the locations and categories of the inventories valued.

2.15 Cash, cash equivalents and bank overdrafts

Cash, cash equivalents and bank overdrafts include cash at bank and in hand plus short-term deposits less overdrafts. Short-term deposits have a maturity of less than three months from the date of acquisition. Bank overdrafts are repayable on demand and form an integral part of the Group and Company's cash management.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group and Company will be required to settle that obligation and the amount has been reliably estimated.

Provisions for restructuring costs are recognised when the Group and Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Share capital

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group or Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.19 Current and deferred income tax

The tax for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit or Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the reporting liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited to the Profit or Loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and Company intend to settle its current tax liabilities on a net basis.

2.20 Employee benefits

(a) Defined contributory schemes

The defined contribution plan the Group and Company have for its employees is statutory pension scheme.

Pension scheme

The Pension Reform Act of 2014 requires all companies to pay a minimum of 10% of basic salary (including housing and transport allowances) to a pension fund on behalf of all full-time employees to pension fund administrator. The employees also contribute a minimum of 8% of his/her emoluments (i.e. basic, housing and transport allowances). The Company's contributions are recognised as employee benefit expenses when they are due. The Group and Company has no further payment obligation once the contributions have been paid.

Short-term benefits

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

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

Termination benefits

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

(b) Profit-sharing and bonus plans

The Group and Company recognise a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.21 Revenue from contracts with customers

The Group and Company is in the business of acquiring, developing, selling and managing high quality, serviced commercial and residential accommodation and retail space. These contracts are divided into three revenue streams namely:

- Sales of Goods - Sale of property stock
- Hotel Management services: Sale of rooms, conference halls as well as food & beverages.
- Facilities management services provided to the customer: Rendering of services - Management fees and service charge surcharge

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for those goods or services. The Group and Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The Group and Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group and Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group and Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

Sale of goods - Sale of Property Stock

Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The normal credit term is 30 to 90 days upon transfer. The Group and Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of property, the Group and Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Significant financing component

Using the practical expedient in IFRS 15, the Group and Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Group and Company does not adjust any of the transaction prices for the time value of money.

Contract Balances:

Trade Receivables

A receivable represents the Group and Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and Company performs under the contract.

2.22 Leases

The Group and Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as a lessee

The Group and Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets (ROU)

The Group and Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group and Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets. The Group and Company has no right of use asset at the end of the year.

Short-term leases

The Group and Company applies the short-term lease recognition (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases (office rent) are recognised as expense on a straight-line basis over the lease term.

Group and Company as a lessor

Leases in which the Group and Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.23 Dividend distribution

Dividend distribution to the Group and Company's shareholders is recognised as a liability in the Group and Company's financial statements in the period in which the dividends are approved by the Group and Company's shareholders. In respect of interim dividends these are recognised once paid.

3. Financial risk management

3.1 Financial risk factors

Specific risk management functions are carried out by the specific business units.

(a) Market risk

(i) Foreign exchange risk

There are no exposures to recognised assets and liabilities as the Group and Company has no investments in foreign operations. The foreign exchange risk exposure relates to the Company.

The Group and Company do not make use of derivatives to hedge its exposures. The Group and Company is not involved in direct importation of finishing materials for its projects and uses third party suppliers and logistics agents, who bear the full foreign exchange risk which are priced into contracts upfront.

The Group and Company's concentration of foreign exchange risk is as follows:

The Group	**2023**		
	USD	**GBP**	**Euro**
	000	000	000
Financial assets			
Cash at bank and in hand	22	-	5
	22	-	5

	2022		
	USD	**GBP**	**Euro**
	000	000	000
Financial assets			
Cash at bank and in hand	22	-	5
	22	**-**	**5**

The Company	**2023**		
	USD	**GBP**	**Euro**
	000	000	000
Financial assets			
Cash at bank and in hand	22	-	5
	22	-	5

	2022		
	USD	**GBP**	**Euro**
	000	000	000
Financial assets			
Cash at bank and in hand	22	-	5
	22	**-**	**5**

	The Group		**The Company**	
	2023	**2022**	**2023**	**2022**
	N'000	N'000	N'000	N'000
The total impact on profit and equity if Naira were to increase/decrease by 2% across currencies would be as follows	427	224	427	224

In 2023 and 2022, Management considered a 2% shift in foreign currency exchange rate appropriate to determine the sensitivity of foreign currency denominated financial assets and liabilities vis a vis the Naira.

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of equity (other than those arising from interest rate risk or currency risk). The equity instruments are classified as fair value through other comprehensive income and are susceptible to market price risk arising from uncertainties about future values of the investment securities.

			The Group	The Company
		Change in price	**Effect on equity** N'000	N'000
UPDC REIT	**2023**	5%	42,692	42,692

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group and Company is not expose to the risk of changes in market interest rates because the Group and Company's long-term debt obligations are fixed interest rates.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and Company.

The Group and Company is exposed to credit risk from its operating activities primarily trade receivables and deposits with banks and other financial institutions. The Group and Company have a credit control function that weekly monitors trade receivables and resolves credit related matters.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group and Company's established policy, procedures and control relating to customer credit risk management. The Group and Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. A sales representative is attached to each customer and outstanding customer receivables are regularly monitored by the representative. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The Group and Company evaluate the concentration of risk with respect to trade receivables as customers consist of large and reputable financial institutions that are subjected to financial scrutiny by various regulatory bodies. The Group and Company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group and Company's treasury department in accordance with the Group and Company's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Group and Company's Chief Financial Officer periodically and may be updated throughout the year subject to approval of the Chief Financial Officer. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group and Company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Impairment losses

Trade receivables

For trade receivables, the Group and Company applied the simplified approach in computing ECL. Therefore, the Group and Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 20. The Group and Company do not hold collateral as security.

Notes to the Consolidated and Separate Financial Statements - Continued

Set out below is the information about the credit risk exposure on the Group and Company's trade receivables as at 31 December 2023 and 2022 using a provision matrix:

31 December 2023	The Group Trade Receivables Date Past Due					
	1-3 months N'000	**4-6months** N'000	**7-9 months** N'000	**10-12 months** N'000	**Above 12 months** N'000	**Total** N'000
Expected credit loss rate	0%	0%	8%	22%	100%	
Estimated total gross carrying amount at default	258,019	-	60,234	162,280	752,620	1,233,153
Expected credit loss	**-**	**-**	**4,819**	**33,306**	**752,620**	**790,744**

31 December 2022	Trade Receivables Date Past Due					
	1-3 months N'000	**4-6month** N'000	**7-9 months** N'000	**7-12 months** N'000	**Above 12 months** N'000	**Total** N'000
Expected credit loss rate	30%	43%	43%	62%	100%	
Estimated total gross carrying amount at default	19,188	13,849	70,788	101,420	755,025	960,270
Expected credit loss	**5817`**	**5,917**	**30,318**	**62,917**	**755,025**	**859,994**

31 December 2023	Trade Receivables Date Past Due					
	1-3 months N'000	**4-6months** N'000	**7-9 months** N'000	**10-12 months** N'000	**Above 12 months** N'000	**Total** N'000
Expected credit loss rate	0%	0%	10%	37%	100%	
Estimated total gross carrying amount at default	118,375	-	58,050	32,250	767,606	976,281
Expected credit loss	**-**	**-**	**5,805**	**11,997**	**767,606**	**785,408**

31 December 2022	Trade Receivables Date Past Due					
	1-3 months N'000	**4-6 months** N'000	**7-9 months** N'000	**9-12 months** N'000	**Above 12 months** N'000	**Total** N'000
Expected credit loss rate	38%	41%	59%	74%	100%	
Estimated total gross carrying amount at default	6,719	6,375	37,625	53,219	742,884	846,822
Expected credit loss	**2,521**	**2,617**	**22,318**	**39,217**	**742,884**	**809,557**

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	The Group		The Company	
	2023 N'000	**2022** N'000	**2023** N'000	**2022** N'000
Balance as at 1 January	861,496	744,264	809,557	742,123
Provision for expected credit losses	73,309	117,232	70,833	67,434
Write off during the year	(147,426)	-	(100,823)	-
Balance at 31 December	**790,744**	**861,496**	**785,408**	**809,557**

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stage delinquency to write-off. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group and Company's view of economic conditions over the expected lives of the receivables.

Expected credit loss measurement - other financial assets

The Group and Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables and short-term deposits. The Group and Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group and Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 3 Summary of significant accounting policies and in Note 4 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group and Company obtain the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Group and Company's ECL models including determining the weights attributable to the multiple scenarios.

Notes to the Consolidated and Separate Financial Statements - Continued

3.1 Financial risk factors - Continued

The following tables outline the impact of multiple scenarios on the allowance showing contribution of each scenario to the expected credit loss:

	The Group			**The Company**		
31 December 2023	Short-term deposit N'000	Intercompany receivables N'000	**Total** N'000	Short-term deposit N'000	Intercompany receivables N'000	**Total** N'000
Upside (10%)	15	324,656	324,671	15	1,729,704	1,729,719
Base (81%)	121	2,629,714	2,629,835	121	14,010,600	14,010,721
Downside (9%)	13	292,190	292,204	13	1,556,733	1,556,747
Total	149	3,246,560	3,246,709	149	17,297,037	17,297,186

	The Group			**The Company**		
31 December 2022	Short-term deposit N'000	Intercompany receivables N'000	**Total** N'000	Short-term deposit N'000	Intercompany receivables N'000	**Total** N'000
Upside (10%)	32	318,752	318,784	9	1,779,949	1,779,958
Base (81%)	257	2,550,017	2,550,274	72	14,239,593	14,239,665
Downside (9%)	32	318,752	318,784	9	1,779,949	1,779,958
Total	321	3,187,521	3,187,842	90	17,799,491	17,799,581

Notes to the Consolidated and Separate Financial Statements - Continued

Short-term deposits

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	The Group				The Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2023	1,755,617	-	-	1,755,617	1,755,617	-	-	1,755,617
New asset purchased	3,415,552	-	-	3,415,552	3,415,552	-	-	3,415,552
Asset derecognised or repaid (excluding write offs)	(1,755,617)	-	-	(1,755,617)	(1,755,617)	-	-	(1,755,617)
At 31 December 2023	3,415,552	-	-	3,415,552	3,415,552	-	-	3,415,552

	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
ECL allowance as at 1 January 2023	321	-	-	321	90	-	-	90
New asset purchased	149	-	-	149	149	-	-	149
Asset derecognised or repaid (excluding write offs)	(321)	-	-	(321)	(90)	-	-	(90)
At 31 December 2023	149	-	-	149	149	-	-	149

				The Group				The Company
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2022	834,181	-	-	834,181	2,087,815	-	-	2,087,815
New asset purchased	1,755,617	-	-	1,755,617	1,755,617	-	-	1,755,617
Asset derecognised or repaid (excluding write offs)	(834,181)	-	-	(834,181)	(2,087,815)	-	-	(2,087,815)
At 31 December 2022	1,755,617	-	-	1,755,617	1,755,617	-	-	1,755,617

	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
ECL allowance as at 1 January 2022	32	-	-	32	32	-	-	32
New asset purchased	321	-	-	321	90	-	-	90
Asset derecognised or repaid (excluding write offs)	(32)	-	-	(32)	(32)	-	-	(32)
At 31 December 2022	321	-	-	321	90	-	-	90

Notes to the Consolidated and Separate Financial Statements - Continued

3.1 Financial risk factors - Continued

Intercompany receivables

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	The Group				The Company			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2023	4,345,254	-	-	4,345,254	18,725,103	-	-	18,725,103
Changes in receivables	(113,661)	-	-	(113,661)	48,314	-	-	48,314
At 31 December 2023	4,231,593	-	-	4,231,593	18,773,417	-	-	18,773,417

	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
ECL allowance as at 1 January 2023	3,187,520	-	-	3,187,520	17,236,555	-	-	17,236,555
Charge for the year	59,040	-	-	59,040	60,482	-	-	60,482
At 31 December 2023	**3,246,560**	**-**	**-**	**3,246,560**	**17,297,037**	**-**	**-**	**17,297,037**
Net Intercompany receivables as at 31 December 2023 - Note 29 (c)		**-**	**-**	**985,032**				**1,476,380**

				The Group				The Company
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January 2022	5,835,135	-	-	5,835,135	19,923,081	-	-	19,923,081
Changes in receivables	(1,489,881)	-	-	(1,489,881)	(1,197,978)	-	-	(1,197,978)
At 31 December 2022	**4,345,254**	**-**	**-**	**4,345,254**	**18,725,103**	**-**	**-**	**18,725,103**

	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
ECL allowance as at 1 January 2022	3,743,016	-	-	3,743,016	17,799,491	-	-	17,799,491
(Unused amount reversed)/Charge for the year	(555,496)	-	-	(555,496)	(562,936)	-	-	-562,936
At 31 December 2022	**3,187,520**	**-**	**-**	**3,187,520**	**17,236,555**	**-**	**-**	**17,236,555**
Net Intercompany receivables as at 31 December 2022 - Note 29 (c)		**-**	**-**	**1,157,734**				**1,488,548**

Notes to the Consolidated and Separate Financial Statements - Continued

Impairment allowance for financial assets under general approach

In assessing the Group and Company's internal rating process, the Group and Company's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Any publicly available information on the Group and Company's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the Group and Company's performance.

(c) Liquidity risk

The Group and Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Group and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, and preference shares. The Group and Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. The Group and Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group and Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Liquidity risk arises from mismatch in expected inflows from sales, rentals and other revenue sources and outflows to fund projects, debt service and repayment obligations. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group and Company finance. Group and Company finance monitors rolling forecasts of the Group and Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. The Group and Company also ensures that at all times it does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Notes to the Consolidated and Separate Financial Statements - Continued

The table below analyses the Group's/Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	The Group					
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years	Contractual amount	Carrying value
At 31 December 2023	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings	-	70,725	-	4,702,096	4,772,821	4,772,821
Trade and other payables	-	2,191,322	-	-	2,191,322	2,191,322
	-	**2,262,044**	**-**	**4,702,096**	**6,964,140**	**6,964,140**

	The Group					
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years	Contractual amount	Carrying value
At 31 December 2022	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings	-	70,725		4,702,096	4,772,821	4,772,821
Trade and other payables	-	2,213,147	-	-	2,213,147	2,213,147
	-	**2,283,872**	**-**	**4,702,096**	**6,985,968**	**6,985,968**
Bank overdrafts	-		-	-		

	The Company					
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years	Contractual amount	Carrying value
At 31 December 2023	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings	-	70,725	-	4,702,096	4,772,821	4,772,821
Trade and other payables	-	3,177,507	-	-	3,177,507	3,177,507
	-	**3,248,229**	**-**	**4,702,096**	**7,950,325**	**7,950,325**

	The Company					
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years	Contractual amount	Carrying value
At 31 December 2022	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings	-	70,725	4,702,096	-	4,772,821	4,772,821
Trade and other payables	-	2,080,216	-	-	2,080,216	2,080,216
	-	**2,150,941**	**4,702,096**	**-**	**6,853,037**	**6,853,037**

Trade and other payables is made up of trade payables and amount owed to related parties. Non-financial liabilities excluded from the trade and other payables are contract liabilities, value added tax/withholding tax payables and accruals.

3.2 Capital risk management

Capital includes share capital, share premium and other reserves attributable to equity holders.
The Group and Company's objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and Company monitor capital on the basis of the gearing ratio. This ratio is calculated as interest bearing debt divided by total equity. Interest bearing debt is calculated as total borrowings (including 'current and non-current borrowings and trade and other payables' as shown in the consolidated statement of financial position). Total equity is calculated as 'equity' as shown in the consolidated and separate statement of financial position including non-controlling interest.

No formal debt equity target has been established.

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	N'000	N'000	N'000	N'000
Interest bearing debt	4,772,821	4,772,821	4,772,821	4,772,821
Trade and other payables	5,815,767	6,247,920	5,918,172	5,327,596
Total debt	**10,588,588**	**11,020,741**	**10,690,993**	**10,100,417**
Total capital	8,957,297	8,250,181	1,285,692	539,431
Capital and net debt	**19,545,885**	**19,270,922**	**11,976,685**	**10,639,848**
Gearing ratio	**54%**	**57%**	**89%**	**95%**

3.3 Fair value estimation

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

Notes to the Consolidated and Separate Financial Statements - Continued

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities for the period ended 31 December.

	The Group				The Company			
31 December 2023	Total	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)	Total	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)
Assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Equity instrument at Fair value through OCI	853,846	853,846	-	-	853,846	853,846	-	-
Trade receivables	442,409	-	-	442,409	190,873	-	-	1,157,733
Receivables from group companies	985,032	-	-	985,032	1,476,380	-	-	3,161,475
Cash at bank and in hand	4,918,009	4,918,009	-	-	4,097,627	4,097,627	-	-
Liabilities for which fair values are disclosed:								
Interest-bearing loans and borrowings	4,772,821	-	-	4,772,821	4,772,821	-	-	4,772,821
Trade payables and other payables	5,815,767	-	-	5,815,767	5,918,172	-	-	5,918,172

	The Group				The Company			
31 December 2022	Total	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)	Total	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)
Assets measured at fair value	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Equity instrument at Fair value through OCI	400,240	400,240	-	-	400,240	400,240	-	-
Trade receivables	98,773	-	-	98,773	37,264	-	-	37,264
Receivables from group companies	1,157,733	-	-	1,157,733	1,488,546	-	-	1,488,546
Cash at bank and in hand	3,161,475	3,161,475			2,532,109	2,532,109	-	-
Liabilities for which fair values are disclosed:								
Interest-bearing loans and borrowings	4,772,831	-	-	4,772,831	4,772,831	-	-	4,772,831
Trade payables and other payables	6,247,920	-	-	6,247,920	5,327,596	-	-	5,327,596

There have been no transfers between Level 1 and Level 2 during the year.

Notes to the Consolidated and Separate Financial Statements - Continued

i) Assets measured at fair values
Investment properties: The valuation techniques used and key inputs to valuation of investment properties have been disclosed in Note 15.

ii) Liabilities for which fair values are disclosed
The fair value of unquoted loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

3.3 Fair value estimation
The following table represents the Groups' financial assets and liabilities that fair value is disclosed.

	The Group			
	2023		2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets	N'000	N'000	N'000	N'000
Equity instrument at Fair value through OCI	853,846	853,846	400,240	400,240
Trade receivables	442,409	442,409	98,773	98,773
Receivables from group companies	985,032	985,032	1,157,733	1,157,733
Cash at bank and in hand	4,918,009	4,918,009	3,161,475	3,161,475
Liabilities				
Interest bearing loans and borrowings	4,772,821	4,772,821	4,772,821	4,772,831
Trade Payables and other payables	5,815,767	5,815,767	6,247,920	6,247,920

	The Company			
	2023		2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets	N'000	N'000	N'000	N'000
Equity instrument at Fair value through OCI	853,846	853,846	400,240	400,240
Trade receivables	190,873	190,873	37,264	37,264
Receivables from group companies	1,476,380	1,476,380	1,488,546	1,488,546
Cash at bank and in hand	4,097,627	4,097,627	2,532,109	2,532,109
Liabilities				
Interest bearing loans and borrowings	4,772,821	4,772,821	4,772,821	4,772,831
Trade and other payables	5,918,172	5,918,172	5,327,596	5,327,596

Trade receivables is fair valued at net of impairment. Other receivables is made up of receivables to related parties which fairly approximates their stated carrying values. Trade and other payables is made up of trade payables and amount owed to related parties.

The fair values of loans from banks is estimated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The Company does not expect to default on its various obligations represented in its liabilities as at year end.

Notes to the Consolidated and Separate Financial Statements - Continued

3.4 Financial instruments by category

	The Group	
At amortised cost	**2023**	**2022**
Financial assets	N'000	N'000
Trade and other receivables	1,427,441	1,256,506
Cash at bank and in hand	4,918,009	3,161,475
Financial liabilities		
Interest bearing Loans and Borrowings	4,772,821	4,772,821
Trade and other payables	5,815,767	6,247,920

	The Company	
At amortised cost	**2023**	**2022**
Financial assets	N'000	N'000
Trade and other receivables	1,667,253	1,525,810
Cash at bank and in hand	4,097,627	2,532,109
Financial liabilities		
Interest bearing Loans and Borrowings	4,772,821	4,772,821
Trade and other payables	5,918,172	5,327,596

4. Material accounting judgements, estimates and assumptions

4.1 Material estimates

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

4.2 Material judgements

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

a) Revenue from Contracts with Customers

The Group and the Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying performance obligations in a bundled sale of property and maintenance services

The Group and the Company provides planned preventive maintenance and property life cycle maintenance that are sold separately or bundled together with the sale of property to a customer. The maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the Company and the customer.

The Group and the Company determined that the property, and the maintenance services are capable of being distinct. The fact that the Group and the Company regularly sells both property, and maintenance on a stand-alone basis indicates that the customer can benefit from each of the products on their own. The Group and the Company also determined that the promises to transfer the property and to provide maintenance are distinct within the context of the contract. The property and the maintenance are not inputs to a combined item in the contract.

In addition, the property and the maintenance are not highly interdependent or highly interrelated, because the Group and the Company would be able to transfer the property even if the customer declined maintenance and would be able to provide maintenance in relation to products sold by other distributors. Consequently, the Group and the Company allocated a portion of the transaction price to the property and the maintenance service based on relative stand-alone selling prices.

Determining the timing of satisfaction of sales of property stock

The Group and the Company concluded that revenue for sales of property stock is to be recognised at a point in time; when the customer obtains control of the property. The Group and the Company assess when control is transferred using the indicators below:

- The Group and the Company has a present right to payment for the product;
- The customer has legal title to the product;
- The Group and the Company has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the product; and
- The customer has accepted the asset.

Notes to the Consolidated and Separate Financial Statements - Continued

Estimates and assumptions

b. Financial Instruments

Provision for expected credit losses of trade receivables

The Group and the Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, and customer type).

The provision matrix is initially based on the Group and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group and the Company's trade receivables is disclosed in Note 9 and Note 19.

Impairment losses on intercompany receivables and short-term deposits

The measurement of impairment losses under IFRS 9 requires estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group and the Company's ECL calculations are outputs of general approach used by considering a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, Gross Domestic Products and inflation rate, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

c) Useful lives for property, plant & equipment

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of property, plant and equipment will have an impact on the carrying value. See Note 13 for further details.

d) Impairment of investments in Joint Venture

Investment in Joint Ventures are stated at cost in the books of the Group and Company. However, where there is objective evidence of impairment of this investment, the investment is written down to the recoverable amount. Evidence of impairment occurs where the Joint Venture incurs a loss and the Group/Company's share of loss exceeds its total investment in the Joint venture. See note 16 (ii). for details of write down in current year.

e) Deferred tax asset

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations by the taxable entity.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

5. Segment Analysis

The chief operating decision-maker has been identified as the Executive Committee (Exco). The Exco reviews the Company's internal reporting in order to assess performance and allocate resources.

Nigeria is the Company's primary geographical segment as the operations of the Company are entirely carried out in Nigeria. As at 31 December 2023, UPDC Plc's operations comprised two main business segments which are Property Development, Sales & Management and Hospitality Services.

Property Development, Sales & Management - UPDC Plc's main business is the acquisition, development, sales and management of high quality serviced commercial and residential properties in the Highbrow and Middle Income segments of the real estate market in Nigeria. The Company approaches property planning from the customers' perspective to create comfortable living/working environments. UPDC Facility Management Limited is a subsidiary of UPDC Plc. The Company provides facilities management services to residential and commercial properties in Nigeria.

Hospitality Services - UPDC Hotels Limited, the company's subsidiary is in the hospitality industry and leverages significantly on the success of its principal promoter UPDC Plc. The hotel provides services such as sale of rooms, conference halls as well as food & beverages.

The following measures of performance are reviewed by the Exco:

- Revenue to third parties
- Earnings before interest and tax
- Profit before tax
- Net current assets
- Property, plant and equipment

	The Group		
31 December 2023	**Property Development Sales & Management**	**Hospitality Services**	**Total**
	N'000	N'000	N'000
Total Revenue	4,495,232	848,390	5,343,622
Intergroup revenue	-	-	-
Revenue to third parties	**4,495,232**	**848,390**	**5,343,622**
Earnings before interest and tax	563,596	(286,014)	277,581
Profit/(Loss) before tax	664,971	(285,036)	379,935
Net current assets	5,157,309	(907,937)	4,249,370
Property, plant and equipment	79,063	8,255,434	8,334,497

31 December 2022	**Property Development Sales & Management**	**Hospitality Services**	**Total**
	N'000	N'000	N'000
Total Revenue	**5,657,476**	**239,481**	**5,896,957**
Intergroup revenue	-	-	-
Revenue to third parties	5,657,476	239,481	5,896,957
Earnings before interest and tax	1,034,484	(326,640)	707,844
Profit/(Loss) before tax	657,234	(326,636)	330,598
Net current assets	5,056,135	(845,875)	4,210,260
Property, plant and equipment	34,407	8,355,753	8,390,160

Notes to the Consolidated and Separate Financial Statements - Continued

	The Company	
31 December 2023	**Property development sales & management** N'000	**Total** N'000
Total revenue	2,397,109	2,397,109
Intergroup revenue	-	-
Revenue from third parties	**2,397,109**	**2,397,109**
Earnings before interest and tax	512,668	512,668
Profit before tax	316,676	316,676
Net current assets	3,392,679	3,392,679
Property, plant and equipment	69,879	69,879

	The Company	
31 December 2022	**Property development sales & management** N'000	**Total** N'000
Total revenue	3,870,963	3,870,963
Intergroup revenue	-	-
Revenue from third parties	**3,870,963**	**3,870,963**
Earnings before interest and tax	708,959	708,959
Profit before tax	322,957	322,957
Net current assets	3,132,571	3,132,571
Property, plant and equipment	28,744	28,744

Notes to the Consolidated and Separate Financial Statements - Continued

5.1 Segment Analysis -

Entity wide information	**The Group**		**The Company**	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
Analysis of revenue by category:	N'000	N'000	N'000	N'000
UPDC Sale of Property Stock	1,963,420	3,603,350	1,963,420	3,603,350
Project/ Asset Management Fee	433,690	267,613	433,690	267,613
	2,397,109	**3,870,963**	**2,397,109**	**3,870,963**
UPDC Hotel Ltd. Revenue	848,390	239,481	-	-
Deep Horizon Inv. Ltd Sale of Property Stock	1,731,092	1,486,990	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	367,030	299,524	-	-
Group	**5,343,622**	**5,896,957**	**2,397,109**	**3,870,963**
Analysis of revenue by geographical location:				
Nigeria	**5,343,622**	**5,896,957**	**2,397,109**	**3,870,963**

5.(i) Revenue from contracts with customers

Disaggregated revenue information

Set out below is the disaggregation of the Group and Company's revenue from contracts with customers:

The Group	**For the year ended 31 December 2023**		
	Property Development Sales & Management	**Hospitality Services**	**Total**
Type of goods or service	N'000	N'000	N'000
Sale of Property Stock	1,963,420	-	1,963,420
Project/ Asset Management Fee	433,690	-	433,690
UPDC Hotel Ltd. Revenue	-	848,390	848,390
Deep Horizon Inv. Ltd Sale of Property Stock	1,731,092	-	1,731,092
UPDC Facility Mgt Ltd. Management Surcharge Income	367,030	-	367,030
Revenue from contracts with customers	**4,495,232**	**848,390**	**5,343,622**
Rental income	-	-	**-**
Total revenue	**4,495,232**	**848,390**	**5,343,622**
Geographical markets			
Within Nigeria	4,495,232	848,390	5,343,622
Outside Nigeria	-	-	-
Total revenue from contracts with customers	**4,495,232**	**848,390**	**5,343,622**
Rental income	-	-	-
Total revenue	**4,495,232**	**848,390**	**5,343,622**
Timing of revenue recognition			
Goods transferred at a point in time	3,694,512	-	3,694,512
Services transferred over time	800,720	848,390	1,649,110
Total revenue from contracts with customers	**4,495,232**	**848,390**	**5,343,622**
Rental income	-	-	-
Total revenue	**4,495,232**	**848,390**	**5,343,622**

The Group	**For the year ended 31 December 2022**		
	Property Development Sales & Management	**Hospitality Services**	**Total**
Type of goods or service	N'000	N'000	N'000
Sale of Property Stock	3,603,350	-	3,603,350
Project/ Asset Management Fee	267,613	-	267,613
UPDC Hotel Ltd. Revenue	-	239,481	239,481
Deep Horizon Inv. Ltd Sale of Property Stock	1,486,990	-	1,486,990
UPDC Facility Mgt Ltd. Management Surcharge Income	299,524	-	299,524
Revenue from contracts with customers	**5,657,476**	**239,481**	**5,896,957**
Rental income	-	-	**-**
Total revenue	**5,657,476**	**239,481**	**5,896,957**

Notes to the Consolidated and Separate Financial Statements - Continued

5.1 Revenue from contracts with customers -

Geographical markets	N'000	N'000	N'000
Within Nigeria	5,657,476	239,481	5,896,957
Outside Nigeria	-	-	-
Total revenue from contracts with customers	**5,657,476**	**239,481**	**5,896,957**
Rental income	-	-	-
Total revenue	**5,657,476**	**239,481**	**5,896,957**
Timing of revenue recognition			
Goods transferred at a point in time	5,090,340	-	5,090,340
Services transferred over time	567,136	239,481	806,617
Total revenue from contracts with customers	**5,657,476**	**239,481**	**5,896,957**
Rental income	-	-	-
Total revenue	**5,657,476**	**239,481**	**5,896,957**

	For the year ended 31 December 2023		
The Company	**Property Development Sales & Management**	**Hospitality Services**	**Total**
Type of goods or service	N'000	N'000	N'000
Sale of Property Stock	1,963,420	-	1,963,420
Project/ Asset Management Fee	433,690	-	433,690
UPDC Hotel Ltd. Revenue	-	-	-
Deep Horizon Inv. Ltd Sale of Property Stock	-	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	-	-	-
Revenue from contracts with customers	**2,397,109**	**-**	**2,397,109**
Rental income	-	-	**-**
Total revenue	**2,397,109**	**-**	**2,397,109**
Geographical markets			
Within Nigeria	2,397,109	-	2,397,109
Outside Nigeria	-	-	-
Total revenue from contracts with customers	**2,397,109**	**-**	**2,397,109**
Rental income	-	-	-
Total revenue	**2,397,109**	**-**	**2,397,109**
Timing of revenue recognition			
Goods transferred at a point in time	1,963,420	-	1,963,420
Services transferred over time	433,690	-	433,690
Total revenue from contracts with customers	**2,397,109**	**-**	**2,397,109**
Rental income	-	-	-
Total revenue	**2,397,109**	**-**	**2,397,109**

	For the year ended 31 December 2022		
The Company	**Property Development Sales & Management**	**Hospitality Services**	**Total**
Type of goods or service	N'000	N'000	N'000
Sale of Property Stock	3,603,350	-	3,603,350
Project/ Asset Management Fee	267,613	-	267,613
UPDC Hotel Ltd. Revenue	-	-	-
Deep Horizon Inv. Ltd Sale of Property Stock	-	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	-	-	-
Revenue from contracts with customers	**3,870,963**	**-**	**3,870,963**
Rental income	-	-	**-**
Total revenue	**3,870,963**	**-**	**3,870,963**

5.1. Revenue from contracts with customers -

Geographical markets	N'000	N'000	N'000
Within Nigeria	3,870,963	-	3,870,963
Outside Nigeria	-	-	-
Total revenue from contracts with customers	**3,870,963**	**-**	**3,870,963**
Rental income	-	-	-
Total revenue	**3,870,963**	**-**	**3,870,963**
Timing of revenue recognition			
Goods transferred at a point in time	3,603,350	-	3,603,350
Services transferred over time	267,613	-	267,613
Total revenue from contracts with customers	**3,870,963**	**-**	**3,870,963**
Rental income	-	-	-
Total revenue	**3,870,963**	**-**	**3,870,963**

Notes to the Consolidated and Separate Financial Statements - Continued

Performance obligations
Information about the Company's performance obligations are summarised below:

Sale of property stock
The performance obligation is satisfied upon transfer of the property which is generally due within 30 to 90 days from transfer.

The Company has applied the practical expedient in paragraph 121 of IFRS 15 and did not disclose information about remaining performance obligations that have original expected durations of one year or less.

	The Group		The Company	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
Contract balances	N'000	N'000	N'000	N'000
Trade receivables - Note 19	442,409	98,773	190,873	37,264
Customers deposit liabilities - Note 23	2,373,761	2,802,285	2,043,812	2,469,929

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
In 2023, N791million (Company: N785million) was recognized as provision for expected credit losses on trade receivables (2022: N861 million for the group and N810 million for the company).
Customers deposit liabilities include advances received from customers in respect of sale of property stocks and facility management fees.

Disclosure requirements IFRS 15 – Performance Obligations

Quantitative
Information about performance obligations in contracts with customer, including a description of the following:

- When the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service) including when performance obligations are satisfied in a bill-and-hold arrangement
- Significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained)
- The nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (i.e., if the entity is acting as an agent)
- Obligations for returns, refunds and other similar obligations
- Types of warranties and related obligations

IFRS 15.119(a)
IFRS 15.119(b)
IFRS 15.119I
IFRS 15.119(d)

Notes to the Consolidated and Separate Financial Statements - Continued

Performance obligations – Tabular form
The Company's typical performance obligations include the following:

Performance Obligation	**When Performance Obligation is Typically Satisfied**	**When Payment is Typically Due**	**How Standalone Selling Price is Typically Estimated**
Sale of property stocks	Control of the asset is transferred to the customer, generally on delivery of the property at a point in time.	Payment is due on delivery date	Observable in contract document
Facilities management services provided to the customer	The services are satisfied over time as customers simultaneously receives and consumes the benefits provided by the Company. The Company recognizes revenue for these service contracts over time .	At the beginning of the contract period	Observable in renewal transactions
Project Development and Business Management	Allocation of the consideration and timing of the amount of revenue recognized in relation to the sales.	Within 90 days of services being performed	Observable in transactions without multiple performance obligations

Notes to the Consolidated and Separate Financial Statements - Continued

		The Group		The Company	
		31 Dec 23 N'000	31 Dec 22 N'000	31 Dec 23 N'000	31 Dec 22 N'000
6.	**Other Operating Income**				
	Dividend income*	46,891	57,271	84,900	57,271
	Legal, Transfer and title regularisations fees	91,657	47,275	91,657	47,275
	Premium fee on rent to own scheme	63,520	64,286	63,520	64,286
	Project supervision services to Deep Horizon Inv Ltd	-	-	116,968	179,271
	Provision no longer required**	120,000	-	120,000	-
	Exchange gain	16,380	494	16,380	494
	Recovery on facility management	38,602	86,728	-	-
	Parking space lease	-	4,434	-	4,434
	Branding and other supervision fees	120,000	-	120,000	-
	Disposal of Scraps	-	9,302	-	9,302
	Others	4,013	28,263	4,013	28,263
	Total other income	**501,063**	**298,053**	**617,438**	**390,596**

* Dividend income in 2023 represents dividend received on investment in UPDC REIT.
** Provision no longer required relates to a write back of provision for damages in an abandoned legal case which has now become stale.

		The Group		The Company	
7.	**Expenses by nature**	31 Dec 23 N'000	31 Dec 22 N'000	31 Dec 23 N'000	31 Dec 22 N'000
7.(i)	**Cost of Sales**				
	Change in inventories of finished goods & other direct costs of inventories	3,123,253	3,998,471	1,510,449	2,869,948
	Personnel expenses (Note 7 b)	259,109	147,623	37,785	45,953
	Directors' emoluments (Note 7 b)	-	16,738	45,774	16,738
	Agency Fees	58,537	119,677	23,863	91,152
	Other expenses	1,403	6,725	1,403	6,725
		3,442,302	**4,289,233**	**1,619,274**	**3,030,515**
7.(ii)	**Selling and distribution expenses**				
	Personnel expenses (Note 7b)	34,924	27,250	34,704	27,250
	Marketing, advertising & communication	76,316	48,881	51,382	42,285
		111,240	**76,131**	**86,086**	**69,535**
7.(iii)	**Administrative expenses**				
	Property Maintenance expenses	25,574	36,012	25,574	36,012
	Personnel expenses (Note 7b)	357,043	275,934	206,678	165,569
	Depreciation of Property, Plant & Equipment	115,665	38,146	12,615	9,961
	Amortization of intangible asset	4,787	5,586	3,085	3,346
	Rent and rates	13,309	12,981	13,309	12,981
	Vehicles repairs, maintenance & fueling	53,392	49,219	6,967	3,189
	Other repairs & maintenance	105,187	93,842	34,132	3,138
	Legal expenses	47,345	35,138	47,076	24,831
	Auditors' remuneration*	26,516	19,775	21,000	15,000
	Directors' emoluments	107,484	101,489	107,484	101,489
	Information Technology	78,574	53,296	42,212	50,246
	Insurance	62,777	53,607	14,706	12,395
	Professional fees	132,059	131,456	46,794	45,259
	Printing and stationery	12,496	4,079	5,533	2,973
	Energy Cost – UPDC Hotel Ltd.	112,486	105,101	-	-
	Listing/Regulatory	44,920	18,007	-	6,345
	Shortfall Compensation	128,921	58,950	-	58,950
	Security, waste disposal & service change	56,235	61,922	-	-
	Other expenses	152,347	121,075	81,426	55,886
		1,637,117	**1,275,615**	**668,591**	**607,569**

Notes to the Consolidated and Separate Financial Statements - Continued

7b. Personnel expenses

	The Group		The Company	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
Personnel expenses include:	N'000	N'000	N'000	N'000
Wages and salaries				
Cost of Sales	259,109	147,623	37,785	45,953
Selling and Distribution	34,704	27,250	34,704	27,250
Administrative expense	357,043	275,934	206,678	165,569
	650,856	**450,807**	**279,167**	**238,771**

Particulars of directors and staff

(i) The group has in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
Key management personnel compensation:	N'000	N'000	N'000	N'000
Short term benefit	242,061	151,246	150,474	125,475
Post employment benefits	10,416	7,417	7,994	5,994
	252,477	**158,663**	**158,468**	**131,469**
Directors' emoluments:				
Fees	3,400	6,800	3,400	6,800
Other emoluments	104,084	111,427	104,084	111,427
	107,484	**118,227**	**107,484**	**118,227**
Other staff personnel compensation:				
Short term benefit	380,059	279,705	113,349	102,530
Post employment benefits	18,320	12,439	7,350	4,773
	398,379	**292,144**	**120,699**	**107,303**
Total	**758,340**	**569,034**	**386,651**	**356,999**

The table below shows the number of employees (excluding directors), who earned over =N=60,000 as emoluments in the year and were within the bands stated.

	The Group		The Company	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
- -	Number	Number	Number	Number
60,000 - 999,999	102	100	8	9
1,000,000 - 1, 999,999	45	44	4	5
2,000,000 - 2,999,999	26	24	7	6
3,000,000 - 3,999,999	12	12	4	4
4,000,000 - 4,999,999	10	9	5	3
5,000,000 - 5,999,999	5	4	4	4
6,000,000 and above	21	17	14	11
	221	**210**	**46**	**42**

	The Group		The Company	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
(ii) Emoluments of Directors	N'000	N'000	N'000	N'000
Fees	3,400	6,800	3,400	6,800
Other emoluments	104,084	111,427	104,084	111,427
	107,484	**118,227**	**107,484**	**118,227**

(iii) The Chairman's emolument	1,700	1,700	1,700	1,700
(iv) Emolument of the highest paid director	71,354	71,354	71,354	71,354

(v) The fees attributable to the Chairman and non-executive directors, who are employees of the parent company (Custodian Investment Plc (CIP) & UACN Plc) were paid to CIP and UACN Plc.

(viii) The table below shows the number of directors of the company, whose remuneration, excluding pension contributions, fell within the bands shown.

	The Group		The Company	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
₦ -	Number	Number	Number	Number
1,000,001 - 9,000,000	4	4	4	4
9,000,001 - 14,000,000	-	-	-	-
14,000,001 and above	2	2	2	2
	6	**6**	**6**	**6**

Notes to the Consolidated and Separate Financial Statements - Continued

		The Group		The Company	
		31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
8.	**Net Finance Cost**	N'000	N'000	N'000	N'000
	Finance Income	**239,528**	**86,367**	**227,197**	**77,611**
	Interest on borrowings	(423,189)	(463,613)	(423,189)	(463,613)
	Finance Costs	**(423,189)**	**(463,613)**	**(423,189)**	**(463,613)**
	Net Finance Cost	**(183,661)**	**(377,246)**	**(195,992)**	**(386,002)**

Finance income relate to interest on short term deposits.

		The Group		The Company	
9.	**Credit loss expense/write back**	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
		N'000	N'000	N'000	N'000
	Receivable in UPDC Metro City Ltd.	(84,771)	(113,763)	(84,771)	(113,763)
	Impairment of receivable in UPDC Hotels Ltd.	87,828	-	127,571	-
	Receivable in Manor Gardens Dev. Co. Ltd.	-	461	-	461
	Receivable in First Restoration Dev. Co. Ltd.	-	(3,927)	-	(3,927)
	Receivable in Pinnacle Apartment Development Ltd.	9,167	3,379	9,167	3,379
	Receivable in Calabar Golf Estate Ltd.	-	(112,648)	-	(112,648)
	Receivable in Galaxy Mall Ltd.	-	707	-	707
	Receivable in UPDC FM LTD	(437)	-	(437)	-
	Impairments of trade receivables and short-term investment	73,137	68,699	70,892	67,493
		84,924	**(157,092)**	**122,422**	**(158,298)**

The Group

	2023			2022		
	Stage 1 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 3 Individual	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Short term deposits	(172)	-	(172)	289	-	289
Related party receivables	11,787	-	11,787	(225,791)	-	(225,791)
Trade receivables	-	73,309	73,309	-	68,410	68,410
	11,615	**73,309**	**84,924**	**(225,502)**	**68,410**	**(157,092)**

The Company

			2023			2022
	Stage 1 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 3 Individual	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Short term deposits	59	-	59	58	-	58
Related party receivables	51,530	-	51,530	(225,791)	-	(225,791)
Trade receivables	-	70,833	70,833	-	67,435	67,436
	51,589	**70,833**	**122,422**	**(225,733)**	**67,435**	**(158,298)**

10. Taxation

	The Group		The Company	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Current tax	N'000	N'000	N'000	N'000
Minimum tax charge for the year	19,439	131,556	15,184	21,401
Current income tax	139,470	4,850	8,839	4,850
Capital Gain tax	-	-	-	-
Total current tax charge	158,909	136,407	24,023	26,251
Total deferred tax (note 25)	(479)	(6,341)	-	-
Income tax charge	**158,430**	**130,066**	**24,023**	**26,251**

Nigeria corporation tax is calculated at 30% (2022: 30%) of the estimated assessable profit for the year.

The income tax charge for the year can be reconciled to the profit per the consolidated and separate statement of profit or loss as follows:

	The Group		The Company	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	N'000	N'000	N'000	N'000
Profit before taxation	379,933	330,598	316,676	322,957
Tax at the Nigeria corporation tax rate of 30% (2022: 30%)	19,439	99,179	15,184	96,887
Education tax	12,195	4,834	8,839	4,834
Capital gains tax	-	-	-	-
Effect of expenses that are not deductible in determining taxable profit	107,357	4,651	(15,184)	(96,871)
Minimum tax adjustments (Excluding PTF)	19,439	21,401	15,184	21,401
Tax for the year	**158,430**	**130,066**	**24,023**	**26,251**

Notes to the Consolidated and Separate Financial Statements - Continued

Per statement of financial position	The Group 31 Dec 23 N'000	31 Dec 22 N'000	1-Jan-22 N'000	The Company 31 Dec 23 N'000	31 Dec 22 N'000	1-Jan-22 N'000
At 1 January	144,048	138,964	119,688	37,330	78,532	117,785
Charge for the year	158,909	136,407	136,149	24,022	26,251	75,717
Payments during the year	(110,069)	(129,013)	(116,873)	(4,811)	(65,143)	(114,970)
Withholding tax utilized	(25,403)	(2,310)	-	(25,403)	(2,310)	-
At 31 December	**167,485**	**144,048**	**138,964**	**31,138**	**37,330**	**78,532**

10(i). Current tax assets	The Group 31 Dec 23 N'000	31 Dec 22 N'000	The Company 31 Dec 23 N'000	31 Dec 22 N'000
Unutilised withholding tax credit notes as at 1 January	127,762	96,908	127,762	96,908
Additional during the year	44,842	33,164	44,841	33,164
Utilization during the year	(25,403)	(2,310)	(25,403)	(2,310)
Unutilised withholding tax credit notes as at 31 December	**147,201**	**127,762**	**147,200**	**127,762**

11. Dividends

No dividend was declared for the year ended 31 December 2023 (2022:Nil)

12. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

	The Group 31 Dec 23	31 Dec 22	The Company 31 Dec 23	31 Dec 22
Profit attributable to ordinary equity shareholders (NGN'000)	221,505	200,532	292,653	296,706
Profit for the year	221,505	200,532	292,653	296,706
Basic earnings per share (Kobo)	**1**	**1**	**2**	**2**
From continuing operations	1	1	2	2
Diluted earnings per share (Kobo)	**1**	**1**	**2**	**2**
From continuing operations	1	1	2	2
Basic weighted average and diluted weighted average number of shares ('000)	18,559,970	18,559,970	18,559,970	18,559,970
Absolute number of shares ('000)	18,559,970	18,559,970	18,559,970	18,559,970

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group has no dilutive instruments.

13. Property, plant and equipment

The Group **Cost**	Land N'000	Buildings N'000	Motor vehicles N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
At 1 January 2022	-	-	62,512	12,737	46,843	72,099	194,191
Addition	-	10,153	-	110,753	17,627	10,918	149,451
Reclassification from Assets held for sale	1,103,600	7,014,732	6,623	77,663	32,861	5,521	8,241,000
Disposals	-	-	(24,456)	-	-	-	(24,456)
At 31 December 2022	**1,103,600**	**7,024,885**	**44,679**	**201,153**	**97,331**	**88,538**	**8,560,187**
At 1 January 2023	1,103,600	7,024,885	44,679	201,153	97,331	88,538	8,560,186
Addition	-	-	36,316	-	4,952	18,735	60,003
At 31 December 2023	**1,103,600**	**7,024,885**	**80,995**	**201,153**	**102,283**	**107,273**	**8,620,189**
Accumulated depreciation and impairment							
At 1 January 2022	-	-	26,756	12,737	46,419	58,351	144,263
Charge for the year	-	16,489	9,231	5,859	1,322	5,245	38,146
Disposals	-	-	(12,381)	-	-	-	(12,381)
At 31 December 2022	**-**	**16,489**	**23,606**	**18,595**	**47,741**	**63,596**	**170,027**
At 1 January 2023	-	16,489	23,606	18,595	47,741	63,596	170,027
Charge for the year	-	50,894	6,780	40,000	8,169	9,822	115,665
At 31 December 2023	**-**	**67,383**	**30,386**	**58,595**	**55,910**	**73,418**	**285,692**
Net book values							
At 31 December 2023	**1,103,600**	**6,957,502**	**50,609**	**142,558**	**46,373**	**33,855**	**8,334,497**
At 31 December 2022	**1,103,600**	**7,008,396**	**21,073**	**182,558**	**49,590**	**24,942**	**8,390,160**
At 31 December 2021	**-**	**-**	**35,756**	**-**	**424**	**13,748**	**49,928**

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 31 December 2023 (2022: Nil). No property, plant and equipment retired from active use, and none was classified as held for sale in accordance with IFRS 5.

Notes to the Consolidated and Separate Financial Statements - Continued

The Company

Cost	**Motor vehicles**	**Plant and Machinery**	**Furniture & Fittings**	**Computer Equipment**	**Total**
	N'000	N'000	N'000	N'000	N'000
At 1 January 2022	33,170	12,736	46,235	67,986	160,127
Additions	-	-	3,404	3,899	7,303
At 31 December 2022	**33,170**	**12,736**	**49,639**	**71,885**	**167,430**
At 1 January 2023	33,170	12,736	49,639	71,885	167,430
Additions	36,316	-	4,514	12,920	53,750
At 31 December 2023	**69,486**	**12,736**	**54,153**	**84,805**	**221,180**
Accumulated depreciation					
At 1 January 2022	13,696	12,736	45,839	56,454	128,725
Charge for the year	5,563	-	508	3,890	9,961
At 31 December 2022	**19,259**	**12,736**	**46,347**	**60,344**	**138,686**
At 1 January 2023	19,259	12,736	46,347	60,344	138,684
Charge for the period	6,244	-	1,192	5,179	12,615
At 31 December 2023	**25,503**	**12,736**	**47,539**	**65,523**	**151,299**
Net book values					
At 31 December 2023	**43,983**	**-**	**6,614**	**19,282**	**69,881**
At 31 December 2022	**13,911**	**-**	**3,292**	**11,541**	**28,744**
At 31 December 2021	**19,474**	**-**	**396**	**11,532**	**31,402**

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 31 December 2023 (2022: Nil). No property, plant and equipment retired from active use, and none was classified as held for sale in accordance with IFRS 5.

14. Intangible Assets

Cost	**The Group Software**	**The Company Software**
	N'000	N'000
At 1 January 2022	309,009	305,770
Additions	33,039	-
Reclassification from Assets held for sale	43,638	-
At 31 December 2022	**385,686**	**305,770**
At 1 January 2023	385,686	305,770
Additions	11,546	-
At 31 December 2023	**397,231**	**305,770**
Amortisation		
At 1 January 2022	292,620	291,455
Reclassification from Assets held for sale	42,039	-
Amortisation for the year	5,586	3,346
At 31 December 2022	**340,245**	**294,801**
At 1 January 2023	340,245	294,801
Amortisation for the period	4,787	3,084
At 31 December 2023	**345,032**	**297,885**
Net book values		
At 31 December 2023	**52,199**	**7,886**
At 31 December 2022	**45,442**	**10,970**
At 31 December 2021	**16,389**	**14,315**

No intangible asset was pledged as security for any liability as at 31 December 2023 (2022: Nil)

Notes to the Consolidated and Separate Financial Statements - Continued

15. Investments in equity accounted joint ventures

The amounts recognised in the statement of financial position are as follows:

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	N'000	N'000	N'000
Joint ventures	**120,141**	**125,647**	**128,926**	**119,337**	**124,843**	**128,122**

15(i). Investments in joint ventures

	The Group			The Company			
	31 Dec 23	31 Dec 22	31-Dec-21	31 Dec 23	31 Dec 22	31-Dec-21	%
Investment in Joint Ventures	N'000	N'000	N'000	N'000	N'000	N'000	Holding
First Restoration Dev. Co. Limited	**120,141**	**125,647**	**128,926**	**119,337**	**124,843**	**128,122**	**51**

All other investment in joint ventures have been written down to NIL because of the losses recorded over the years.

The movement in the investment in joint ventures during the year is stated below:

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	125,647	128,926	130,393	124,843	128,122	129,589
Movement during the year – share of loss	(5,506)	(3,279)	(1,467)	(5,506)	(3,279)	(1,467)
	120,141	**125,647**	**128,926**	**119,337**	**124,843**	**128,122**

Nature of investment in Joint ventures:

Name	Project	Country of incorporation	Nature of relationship	Measurement method	% Interest held
First Festival Mall Ltd.	Festival Mall	Nigeria	Joint venture	Equity	45%
First Restoration Dev. Coy Ltd.	Olive Court	Nigeria	Joint venture	Equity	51%
Pinnacle Apartment Dev. Ltd.	Pinnacle Apartments	Nigeria	Joint venture	Equity	51%
UPDC Metro City Ltd.	Metrocity	Nigeria	Joint venture	Equity	60%
Transit Village*	Transit Village	Nigeria	Joint venture	Equity	40%

All joint ventures are primarily set up for projects as stated above. The investments in Joint Venture were measured at cost in the separate financial statements.

* Transit Village JV was not operational as at year end. The company's investment represents the seed capital contributed towards acquiring the land for the project.

Set out below are the summarised financial information for the associate and joint ventures accounted for using the equity method.

Name	Non-Current Asset	Current Asset	Non-Current Liabilities	Current Liabilities	Cash & Cash Equivalent	Net Asset	Carrying value
31 December 2023	N'000	N'000	N'000	N'000	N'000	N'000	N'000
First Festival Mall Ltd.	-	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	-	307,115	-	63,838	25,964	269,241	120,141
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-	-
Transit Village*	-	-	-	-	-	-	-

Name	Revenue	Depreciation	Interest Income	Interest Expense	Tax Expense	Profit/(loss)
31 December 2023	N'000	N'000	N'000	N'000	N'000	N'000
First Festival Mall Ltd.	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	263,050	-	-	-	-	(10,796)
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-
Transit Village	-	-	-	-	-	-

Name	Non-Current Asset	Current Asset	Non-Current Liabilities	Current Liabilities	Cash & Cash Equivalent	Net Asset	Carrying value
31 December 2022	N'000	N'000	N'000	N'000	N'000	N'000	N'000
First Festival Mall Ltd.	-	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	-	371,787	-	117,714	25,964	280,037	125,647
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-	-
Transit Village	-	-	-	-	-	-	-

Name	Revenue	Depreciation	Interest Income	Interest Expense	Tax Expense	Profit/(loss)
31 December 2022	N'000	N'000	N'000	N'000	N'000	N'000
First Festival Mall Ltd.	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	198,252	-	-	-	-	(6,430)
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-
Transit Village	-	-	-	-	-	-

16. Equity instrument at fair value through other comprehensive income

As at 31 December 2023, UPDC held 133,413,475 units, representing 5% of the total issued REIT units. This is in compliance with Section 532(z) of the SEC Rules and Regulations (as amended) that requires promoters of real estate investment schemes to subscribe to a minimum of 5% of the registered units of the scheme at inception and hold such units throughout the life of the real estate investment scheme. The fair value changes is as a result of the difference in share price from prior year of N3.00 to N6.4 per unit in current year.

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January	400,240	593,690	733,774	400,240	593,690	733,774
Fair value changes	453,606	(193,450)	(140,084)	453,606	(193,450)	(140,084)
As at 31 December	**853,846**	**400,240**	**593,690**	**853,846**	**400,240**	**593,690**

	The Group			The Company		
	31 Dec 23	31 Dec 22	31-Dec-21	31 Dec 23	31 Dec 22	31-Dec-21
	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January	400,240	593,690	733,774	400,240	593,690	733,774
Fair valuation at reporting date	(853,846)	(400,240)	(593,690)	(853,846)	(400,240)	(593,690)
Fair value (gain)/ loss	**(453,606)**	**193,450**	**140,084**	**(453,606)**	**193,450**	**140,084**

17. Investments in subsidiaries

	The Company			% Shareholding		
		Restated	Restated			
Principal investments	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	%	%	%
UPDC Hotels Ltd.						
2,082,500,000 Shares of ₦1.00 each	2,082,500	2,082,500	2,082,500	94%	94%	94%
Manor Gardens Dev. Company Ltd.						
53,810,000 Ordinary Shares of ₦1.00 each	53,810	53,810	53,810	67.5%	67.5%	67.5%
UPDC Facility Management Ltd.						
5,000,000 Ordinary Shares of ₦1.00 each*	5,000	5,000	5,000	50%	50%	50%
Deep Horizon Investment Ltd.						
1,000,000 Ordinary Shares of ₦1.00 each	1,611,697	1,611,697	1,611,697	75%	75%	75%
	3,753,007	**3,753,007**	**3,753,007**			
Impairment of investments	(2,136,310)	(2,136,310)	(2,136,310)			
	1,616,697	**1,616,697**	**1,616,697**			

Investments in subsidiaries are measured at cost.
UPDC acquired Deep Horizon Investment Ltd. In 2021 for N1.6bn, there was no bargain purchase or goodwill on acquisition.
*The value of investment in UPDC Facility Management Limited was restated following the correction of error in the value of the investment in the subsidiary in the prior year. See Note 30 for details. UPDC Plc's representative's chair on the board of UPDC Facility Management Ltd. as well as control its' day-to-day activities.

17.(i) Material partly owned subsidiary

Financial information of subsidiary that have material non-controlling interest is provided below;
Proportion of equity interests held by non-controlling interests:

	The Company		% Shareholding	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	N'000	N'000	%	%
UPDC Facility Management Limited: 5,000,000 Ordinary Shares of ₦1.00 each	5,000	5,000	50	50

Notes to the Consolidated and Separate Financial Statements - Continued

17.(ii) Profit allocated to material non-controlling interest

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

UPDC Facility Management Limited
Statement of profit or loss and other comprehensive income

	UPDC Facility Management Limited		UPDC Hotel Limited		Deep Horizon Investment Limited	
		Restated				
	31 Dec 23	31-Dec-22	31 Dec 23	31-Dec-22	31 Dec 23	31-Dec-22
	N'000	N'000	N'000	N'000	N'000	N'000
Revenue from contract with customer	367,030	299,524	848,390	239,481	1,731,092	1,486,990
Cost of sales	(345,463)	(210,922)	(1,136,388)	(3,077,519)	(1,517,690)	(1,335,818)
Finance cost	-	-	(31,456)	(25,000)	-	-
Other income	130,259	86,728	-	5	-	8,756
Profit/(loss) before tax	151,937	174,354	(280,794)	(2,863,033)	230,122	159,928
Income tax expense	(53,717)	(53,214)	(4,242)	-	(76,449)	(50,601)
Profit/(loss) for the year	98,220	121,140	(285,036)	(2,863,033)	153,673	109,327
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive income/(loss)	**98,220**	**121,140**	**(285,036)**	**(2,863,033)**	**153,673**	**109,327**
Attributable to:						
Equity holders of parent	49,110	60,570	(267,934)	(2,690,517)	153,673	109,327
Non-controlling interest	49,110	60,570	(17,102)	(172,516)	-	-
	98,220	**121,140**	**(285,036)**	**(2,863,033)**	**153,673**	**109,327**

Summarised statement of financial position

	31 Dec 23	31 Dec 22	31 Dec 23	31-Dec-22	31 Dec 23	31-Dec-22
	N'000	N'000	N'000	N'000	N'000	N'000
Current assets	815,636	659,211	455,819	284,671	3,559,784	3,000,103
Non-current assets	19,039	7,087	8,289,426	8,388,332	-	-
Current liabilities	(520,872)	(389,667)	(16,411,432)	(16,043,050)	(1,693,617)	(1,287,609)
Non-current liabilities	-	(479)	(250,000)	(250,000)	-	-
Total Equity	**313,803**	**276,152**	**(7,916,187)**	**(7,620,047)**	**1,866,167**	**1,712,494**
Attributable to:						
Equity holders of parent	156,902	138,076	(7,441,216)	(7,160,890)	1,866,167	1,712,494
Non-controlling interest	156,902	138,076	(474,971)	(459,157)	-	-
	313,803	**276,152**	**(7,916,187)**	**(7,620,047)**	**1,866,167**	**1,712,494**

18. Inventories

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	N'000	N'000	N'000
Nontrade stock	51,567	120,595	-	-	-	-
Properties under construction - Note 18 (i)	3,148,591	5,145,164	6,084,508	3,148,590	3,927,220	4,468,168
Balance	**3,200,158**	**5,265,759**	**6,084,508**	**3,148,590**	**3,927,220**	**4,468,168**

All Inventory above is carried at lower of cost or net realisable value at all the periods reported.

18(i). Properties under construction

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	N'000	N'000	N'000
Balance 1 January	5,145,164	6,084,508	4,270,744	3,927,220	4,468,168	4,270,744
Additions	1,059,639	2,380,740	1,638,802	731,819	2,000,000	22,462
Transfer from Calabar Golf Estate Ltd.	-	310,452	-	-	310,452	-
Transfer from investment properties	-	-	669,015	-	-	669,015
Disposal	(2,735,463)	(3,951,285)	(475,270)	(1,510,449)	(2,851,400)	(475,270)
Write-down of inventories	-	-	(18,783)	-	-	(18,783)
Deferred Commissioning cost/ (write back)	(320,749)	320,749	-	-	-	-
	3,148,591	**5,145,164**	**6,084,508**	**3,148,590**	**3,927,220**	**4,468,168**

19. Trade and other receivables

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	N'000	N'000	N'000
Trade receivables	1,233,153	960,269	790,006	976,281	846,821	746,110
Less: Impairment of trade receivables	(790,744)	(861,496)	(744,264)	(785,408)	(809,557)	(742,123)
Net trade receivables	**442,409**	**98,773**	**45,742**	**190,873**	**37,264**	**3,987**
Receivables from group companies (Note 27)	985,032	1,157,733	2,092,119	1,476,380	1,488,546	2,123,590
Other receivables (Note 19 (i))	609,629	654,533	515,732	351,132	453,474	449,454
Advances to staff	910	879	5,822	910	1,847	5,770
	2,037,980	**1,911,918**	**2,659,415**	**2,019,295**	**1,981,131**	**2,582,801**

19(i) Analysis of other receivables

	The Group			The Company		
	31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
	N'000	N'000	N'000	N'000	N'000	N'000
Mobilization payments to contractors	40,739	87,588	26,902	26,767	26,767	26,902
Prepayments and accrued income	68,003	29,729	33,159	25,067	24,105	21,458
Withholding tax receivables	18,613	5,443	24,591	17,812	5,443	24,491
VAT Receivables	-	-	-	-	-	-
Other Debtors*	482,275	531,773	431,080	281,486	397,159	376,603
	609,629	**654,533**	**515,732**	**351,132**	**453,474**	**449,454**

Information about the credit exposures and impairment are disclosed in Note 3.

*Other debtors comprise mainly of service charge expenses incurred on empty plot of land at Pinnock Beach. These are reimbursable by individual customers upon commencement of development work on their respective plots.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

The Group has engaged a third-party supplier to provide relevant economic data for determining the factors that are specific to the debtors, the general economic conditions of the industry in which the debtors operate and the forecast direction of conditions at the reporting date. The Group has significantly increased the expected loss rates for trade receivables from the prior year based on its judgement of the impact of current economic conditions and the forecast direction of travel at the reporting date. There has been no change in the estimation techniques during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

20. Cash and cash equivalents

	The Group			The Company		
	31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
	N'000	N'000	N'000	N'000	N'000	N'000
Cash at bank and in hand	1,502,606	1,406,179	1,044,171	682,224	776,582	665,146
Short term investment	3,415,552	1,755,617	834,181	3,415,552	1,755,617	664,777
Less: Impairment of Short-term investments	(149)	(321)	(32)	(149)	(90)	(32)
Cash and cash equivalents	**4,918,009**	**3,161,475**	**1,878,320**	**4,097,627**	**2,532,109**	**1,329,891**

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

21. Borrowings

	The Group			The Company		
	31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
	N'000	N'000	N'000	N'000	N'000	N'000
UAC of Nigeria Plc. Loan	32,291	32,292	-	32,291	32,292	-
Custodian Investment Plc Loan	38,433	38,433	-	38,433	38,433	-
Current borrowings	**70,725**	**70,725**	**-**	**70,725**	**70,725**	**-**
Non-current borrowings	N'000	N'000	N'000	N'000	N'000	N'000
UAC of Nigeria Plc. Loan	2,146,881	2,146,881	2,516,509	2,146,881	2,146,881	2,516,509
Custodian Investment Plc Loan	2,555,215	2,555,215	2,995,144	2,555,215	2,555,215	2,995,144
	4,702,096	**4,702,096**	**5,511,653**	**4,702,096**	**4,702,096**	**5,511,653**
Total borrowings	**4,772,821**	**4,772,821**	**5,511,653**	**4,772,821**	**4,772,821**	**5,511,653**

Movement in total borrowing during the year is as follows:

	The Group			The Company		
	31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January	4,772,821	5,511,653	5,422,500	4,772,821	5,511,653	5,422,500
Proceeds from borrowings	-	-	5,903,073	-	-	5,903,073
Initial measurement of proceeds	-	391,420	(391,420)	-	391,420	(391,420)
Interest accrued	423,189	463,613	763,707	423,189	463,613	763,707
Repayment of borrowings*	-	(1,143,421)	(5,422,500)	-	(1,143,421)	(5,422,500)
Interest paid	(423,189)	(450,445)	(675,522)	(423,189)	(450,445)	(675,522)
Interest unpaid reclassified to payables	-	-	(88,185)	-	-	(88,185)
Balance	**4,772,821**	**4,772,821**	**5,511,653**	**4,772,821**	**4,772,821**	**5,511,653**

Notes to the Consolidated and Separate Financial Statements - Continued

In April 2021, the majority shareholders of UPDC Plc (CIP & UACN Plc) granted UPDC Plc a loan for N5.9billion at the rate of 9% per annum with a 3year moratorium. It was also agreed that the loan would be provided by CIP and UACN Plc's pro rata their shareholding in the UPDC i.e. CIP contributed 54.34% of the Loan whilst UACN Plc contributed 45.66% of the Loan. The purpose of the loan was to pay down the 5-year bond and UACN Bridge Finance.

*In December 2022, UPDC Plc repaid N1.143million, being the bridge portion of the Shareholders' loan to CIP & UACN Plc as well as the accrued interest as at the date of principal repayment.

22. Trade and other payables

	The Group			The Company		
		Restated	Restated		Restated	Restated
	31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
	N'000	N'000	N'000	N'000	N'000	N'000
Trade payables	939,093	912,712	515,898	551,955	541,463	517,378
Customer deposit liabilities (Note 23) **	2,373,761	2,802,285	2,380,524	2,043,812	2,469,929	1,798,341
Amounts owed to other related parties (Note 27)	278,024	211,789	210,460	2,245,687	1,071,278	394,171
	3,290,878	**3,926,786**	**3,106,882**	**4,841,453**	**4,082,670**	**2,709,890**
Value Added Tax/ Withholding Tax Payables	174,535	114,508	14,840	25,168	27,308	6,931
Other payables*	444,530	303,223	504,763	258,067	265,135	500,811
Assets Replacement Deposits	379,208	241,597	270,997	161,208	232,597	270,997
Unclaimed dividend (Note 22(i))	252,411	252,411	252,411	252,411	252,411	252,411
Deferred Commissioning cost	-	320,749	-	-	-	-
Accruals	974,205	1,088,646	540,249	379,865	467,475	532,026
Total	**5,815,764**	**6,247,920**	**4,690,142**	**5,918,172**	**5,327,596**	**4,273,066**

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The directors consider the carrying amount of trade and other payables to approximate its fair value due to their short-term maturity period and no significant discounts is expected on payments of the obligations.

*Other payables development levy deposits, and other payroll related statutory payment due. See note 30 for restatement of other payables. Accruals is made up of legal fee, audit fee, amongst others.
** See note 30 for restatement of the comparative balance of other payables and customer deposit liabilities.

22(i). Unclaimed dividend

	The Group			The Company		
	31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January	252,411	252,411	253,680	252,411	252,411	253,680
Unclaimed dividend fund paid	-	-	(1,269)	-	-	(1,269)
As at 31 December	**252,411**	**252,411**	**252,411**	**252,411**	**252,411**	**252,411**

23. Customers deposit liabilities

Deposit by customers	**2,373,761**	**2,802,285**	**2,380,524**	**2,043,812**	**2,469,929**	**1,798,341**

This represents advances received from customers in respect of sale of property stocks and facility management fees. This is a non-interest-bearing liability.

24. Deferred revenue

Deferred revenue are rentals received in advance which are recognized in the statement of profit or loss when earned. It is a non-interest-bearing liability. These rentals were received in prior periods.

Movement in the deferred revenue is as follows:	The Group			The Company		
	31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	-	98,610	109,433	-	98,610	109,433
Deferred during the year	-	-	1,930	-	-	1,930
Recognised as revenue during the year	-	-	(12,753)	-	-	(12,753)
Reclassified to other payables*	-	(98,610)	-	-	(98,610)	-
At 31 December	**-**	**-**	**98,610**	**-**	**-**	**98,610**
Current	-	-	98,610	-	-	98,610
Non-current	-	-	-	-	-	-
	-	**-**	**98,610**	**-**	**-**	**98,610**

*Deferred rental income no longer accrues to the Company but a financial liability, hence now reclassified as other liability in the book. This is as a result of the reclassification of investment properties to inventory in prior year.

25. Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
Deferred tax liabilities:	N'000	N'000	N'000	N'000	N'000	N'000
– Deferred tax liability to be recovered after more than 12 months	72,537	73,016	79,016	72,537	72,537	72,537
– Deferred tax liability to be recovered within 12 months	-	-	-	-	-	-
Deferred tax liabilities	**72,537**	**73,016**	**79,016**	**72,537**	**72,537**	**72,537**

The gross movement on the deferred income tax account is as follows:

	The Group			The Company		
	31 Dec 23	31 Dec 22	1-Jan-22	31 Dec 23	31 Dec 22	1-Jan-22
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January	73,016	79,357	72,537	72,537	72,537	72,537
Recognised in Profit or Loss	(479)	(6,341)	6,820	-	-	-
At 31 December	**72,537**	**73,016**	**79,357**	**72,537**	**72,537**	**72,537**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

The Group

	Property, plant and equipment	Investment property	Provisions	Tax losses	Capital gains to be reinvested	Exchange difference	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2022	(62,620)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	79,357
Credited to profit or loss	(6,341)	-	-	-	-	-	(6,341)
At 31 December 2022	(68,961)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	73,016
Credited to profit or loss	(479)	-	-	-	-	-	(479)
At 31 December 2023	**(69,440)**	**1,273,022**	**(96,895)**	**(1,151,609)**	**116,291**	**1,168**	**72,537**

The Company

	Property, plant and equipment	Investment property	Provisions	Tax losses	Capital gains to be reinvested	Exchange difference	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2022	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Credited to profit or loss	-	-	-	-	-	-	-
At 31 December 2022	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged to profit or loss	-	-	-	-	-	-	-
At 31 December 2023	**(69,440)**	**1,273,022**	**(96,895)**	**(1,151,609)**	**116,291**	**1,168**	**72,537**

The Group/ The Company

*The deferred tax asset computation for the year amounted to ₦5.3 billion (2022: ₦5.1 billion), the management has however assessed and concluded that it is not probable that sufficient taxable profits will be available to offset this, hence the decision not to recognise the asset. At the reporting date, the Group has ₦17.3 billion unrelieved tax losses (2022:₦17.3 billion) available for offset against future profits.

26. Share capital

Group and Company

	31 Dec 23		31 Dec 22		1-Jan-22	
	Units	Amount	Units	Amount	Units	Amount
	000	N'000	000	N'000	000	N'000
Authorised:						
Ordinary shares of 50k each	18,559,970	9,279,985	18,559,970	9,279,985	18,600,000	9,300,000
Issued and fully paid:						
Ordinary shares of 50k each	18,559,970	9,279,985	18,559,970	9,279,985	18,559,970	9,279,985
Authorised shares						
At 1 January	18,559,970	9,279,985	18,600,000	9,300,000	18,600,000	9,300,000
Share Cancellation	-	-	(40,030)	(20,015)	-	-
At 31 December	**18,559,970**	**9,279,985**	**18,559,970**	**9,279,985**	**18,600,000**	**9,300,000**

There was a cancellation of 40,030,000 unissued ordinary shares during the year 2022, following the approval of the Shareholders at the 2022 Annual General Meeting of the company on the 22nd of May 2022.

Notes to the Consolidated and Separate Financial Statements - Continued

26(i). Share Premium

Share Premium is the premium on actual price of share issue above the par value of 50 kobo.
Section 145 of Companies and Allied Matters Act, 2020 requires that where a company issue shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

26(ii). Revenue Reserves

Revenue Reserves represents accumulated results over the years.

27. Related party transactions

The ultimate parent and controlling party of the Company is Custodian Investment Plc incorporated in Nigeria. There are other companies that are related to UPDC through common shareholdings.

The following transactions were carried out with related parties:

Period-end balances arising from sales/purchases of goods/services

	The Group			The Company		
	31 Dec 23	**31-Dec-22**	**1-Jan-22**	**31 Dec 23**	**31-Dec-22**	**1-Jan-22**
Receivable:	N'000	N'000	N'000	N'000	N'000	N'000
Receivables balance	4,231,593	4,345,254	5,835,135	18,773,417	18,725,103	19,923,081
Provision for expected credit losses	(3,246,560)	(3,187,521)	(3,743,016)	(17,297,037)	(17,236,557)	(17,799,491)
Balance as at 31 December	**985,032**	**1,157,733**	**2,092,119**	**1,476,380**	**1,488,546**	**2,123,590**

Notes to the Consolidated and Separate Financial Statements - Continued

Year-end balances arising from sales/purchases of goods/services		The Group			The Company		
		31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
Receivable:	**Relationship**	N'000	N'000	N'000	N'000	N'000	N'000
UPDC Metrocity Limited	Joint Venture	392,039	1,019,242	1,860,956	392,039	1,019,242	1,860,956
UPDC Hotel Ltd.	Subsidiary	-	-	-	14,498,405	14,330,230	14,045,538
First Festival Mall Limited	Joint Venture	2,614,513	2,614,513	2,614,513	2,614,513	2,614,513	2,614,513
First Restoration Dev. Co. Limited	Joint Venture	-	-	29,054	-	-	29,054
Calabar Golf Estate Limited	Joint Venture	-	-	647,598	-	-	647,598
Pinnacle Apartment Dev. Ltd/ Imani and Sons	Joint Venture	386,977	320,222	300,346	386,977	320,222	300,346
Galaxy Mall Current Account	Joint Venture	74,034	74,034	74,034	74,034	74,034	74,034
UPDC REIT	Associate	17,606	-	-	17,606	-	-
Manor Gardens	Subsidiary	317,244	317,244	308,634	317,244	317,244	316,782
Grupo Atlanta Nig Ltd	Joint Venture	429,181	-	-	429,181	-	-
UPDC Facility Management Ltd.	Subsidiary	-	-	-	43,420	49,619	34,260
		4,231,593	4,345,254	5,835,135	18,773,417	18,725,103	19,923,081
Impairment of Intercompany receivables		(3,246,560)	(3,187,521)	(3,743,016)	(17,297,037)	(17,236,557)	(17,799,491)
		985,032	**1,157,733**	**2,092,119**	**1,476,380**	**1,488,546**	**2,123,590**

		The Group			The Company		
		31 Dec 23	**31 Dec 22**	**1-Jan-22**	**31 Dec 23**	**31 Dec 22**	**1-Jan-22**
Payable:	**Relationship**	N'000	N'000	N'000	N'000	N'000	N'000
UAC of Nigeria Plc.	Associate	2,426	7,002	41,125	2,426	7,002	41,125
Custodian Investment Plc.	Parent	-		47,922	-	-	47,922
UPDC REIT	Equity investment	-	75,416	46,858	-	75,416	46,858
MDS Logistics Ltd.	Sister Company	-	1,787	1,787	-	1,787	1,787
James Pinnock	Joint Operation	-	-	72,741	-	-	-
First Restoration Dev. Co. Limited	Joint Venture	275,599	127,583	-	275,599	127,583	72,741
UAC Foods Limited	Sister Company	-	-	28	-	-	28
Deep Horizon Investment Ltd.	Subsidiary	-	-	-	1,967,663	859,489	183,710
		278,024	**211,789**	**210,461**	**2,245,687**	**1,071,278**	**394,171**

Notes to the Consolidated and Separate Financial Statements - Continued

28. Contingent liabilities

As at 31 December 2023, the Group in its ordinary course of business is presently involved in 24 cases as a defendant and 15 cases as a plaintiff. The total amount claimed in the 24 cases against the Company is estimated at N3.2 billion, while the total amount claimed in the 15 cases instituted by the Group is N69.2 million. The Directors are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

29. Events after reporting period

There were no events after the reporting date which could have a material effect on the financial position of the Company as at 31 December 2023 or the financial performance for the year then ended that have not been adequately provided for or disclosed.

30. Restatements

Restatement of comparatives
In the prior year 2022, a subsidiary of the Company i.e. UPDC Facility Management Limited (in which UPDC Plc has 50% shareholding interest) made a correction of error in its financial statements and the correction by extension affected the value of investment of UPDC Plc in the subsidiary. The value of the investment of UPDC Plc in the subsidiary was valued at N108million which comprises of N5million equity (being 50% of N10million equity of the subsidiary) and N103million share of share premium (being 50% of the value of share premium of N206million in the book of the subsidiary).

The Subsidiary company, UPDC Facility Management Limited, has hitherto been carrying the share premium of N206million in its books as far back as 2020. The Company identified that the amount been carried as the share premium was a liability which relates to deposits by the Estates which the company manages.

In line with IAS 8 - Accounting Policies, Changes in Accounting Estimates and errors, the recognition of the share premium was considered as a prior year error and as such, a restatement of prior years' figures in the UPDC Plc financial statements. The correction of the error was done by restating the opening balance of retained earnings, non-controlling interest, investment in subsidiary and Trade and other payables of the year ended 31 December 2021 being the earliest prior period presented and the year 2022 being the comparative period to the current year.

Impact on the consolidated and separate financial statements
The quantitative effects of the restatements on the group's and the company's financial statements for the year ended 31 December 2021 and 31 December 2022 are as follows:

As reported in the statement of financial position:

	The Group		The Company	
Retained earnings	**2022**	**2021**	**2022**	**2021**
	N'000	N'000	N'000	N'000
Balance at 1 January 2021 (as earlier stated)	(10,681,039)	(8,650,442)	(17,842,043)	(9,159,646)
Correction of profit of sales of subsidiary (Company: Correction of error in value of investment in subsidiaries)	-	(103,019)	-	(103,019)
Balance at 1 January 2021 (as restated)	(10,681,039)	(8,753,461)	(17,842,043)	(9,262,665)
Profit /(Loss) for the year	159,658	(1,927,578)	296,705	(8,579,378)
Gain on reclassification of asset of disposal group held for sale	686,792	-	-	-
Retained earnings (as restated)	**(9,834,588)**	**(10,681,039)**	**(17,545,338)**	**(17,842,043)**

	The Group	
Non-Controlling interest	**2022**	**2021**
	N'000	N'000
Balance at 1 January 2021 (as earlier stated)	(100,457)	(48,493)
Correction of error in value of investment in subsidiaries	-	(103,019)
Balance at 1 January 2021 (as restated)	(100,457)	(151,512)
Profit /(Loss) for the year	40,874	51,055
Retained earnings (as restated)	**(59,583)**	**(100,457)**

	The Group		The Company	
Investment in subsidiaries	**2022**	**2021**	**2022**	**2021**
	N'000	N'000	N'000	N'000
Investment in subsidiaries (as earlier stated)	-	-	1,719,716	1,719,716
Correction of error in value of investment in subsidiaries	-	-	(103,019)	(103,019)
Investment in subsidiaries (as restated)	-	-	**1,616,697**	**1,616,697**

	The Group	
	2022	**2021**
Customer deposit liability*	N'000	N'000
Customer deposit liability (as previously stated)	2,538,829	2,168,341
Correction of error in value of investment in subsidiaries	206,038	206,038
Reclassification from other payables	57,418	6,145
Customer deposit liability (as restated) see note 22	**2,802,285**	**2,380,524**

* Restatement of customer deposit liability include classification of N57.4million (2021: N6.2million) from other accruals to customer deposit liability i.e., amount deposited by the Estates being managed by the subsidiary.

	The Group	
	2022	**2021**
Other payables	N'000	N'000
Other payables (as previously stated)	360,641	510,908
Reclassification to customer deposit liability	(57,418)	(6,145)
Other payables (as restated) - see note 22	**303,223**	**504,763**

The following tables summarise the adjustments arising from change in the correction of prior period errors on the statement of financial position for the group and the company. The restatement does not impact on the statement of profit or loss and other comprehensive income and statement of cash flows. The changes have been made by restating each of the affected financial statements line items for prior periods. Further details are shown below:

Notes to the Consolidated and Separate Financial Statements - Continued

Restatement of Comparatives

i Consolidated and separate Statement of financial position - Group

		The Group			The Group		
	Notes	**31 December 2022 previously stated N'000**	**Impact of adjustment N'000**	**31 December 2022 restated N'000**	**1 January 2022 previously stated N'000**	**Impact of adjustment N'000**	**1 January 2022 restated N'000**
Assets							
Non-current assets							
Property, plant and equipment		8,390,160	-	8,390,160	49,928	-	49,928
Intangible assets		45,442	-	45,442	16,389	-	16,389
Investments in joint ventures		125,647	-	125,647	128,926	-	128,926
Equity instrument at fair value		400,240	-	400,240	593,690	-	593,690
Investments in subsidiaries		-	-	-	-	-	-
		8,961,489	**-**	**8,961,489**	**788,933**	**-**	**788,933**
Current assets							
Inventories		5,265,759	-	5,265,759	6,084,508	-	6,084,508
Trade and other receivables		1,911,918	-	1,911,918	2,659,415	-	2,659,415
Current tax assets		127,762	-	127,762	96,908	-	96,908
Cash at bank and in hand		3,161,475	-	3,161,475	1,878,320	-	1,878,320
		10,466,914	**-**	**10,466,914**	**10,719,151**	**-**	**10,719,151**
Assets of disposal group classified as held for sale/distribution to owners		-	-	-	8,086,682	-	8,086,682
Total assets		**19,428,403**	**-**	**19,428,403**	**19,594,766**	**-**	**19,594,766**
Equity							
Share capital		9,279,985	-	9,279,985	9,279,985	-	9,279,985
Share premium		8,971,551	-	8,971,551	8,971,551	-	8,971,551
Fair value reserve of financial assets at FVOCI		(166,767)	-	(166,767)	26,683	-	26,683
Other reserves		-	-	-	391,420	-	391,420
Retained earnings	a	(9,731,569)	(103,019)	(9,834,588)	(10,578,019)	(103,019)	(10,681,038)
Equity attributable to equity holders of the Company		8,353,200	(103,019)	8,250,181	8,091,620	(103,019)	7,988,601
Non-controlling interest	a	43,436	(103,019)	(59,583)	2,562	(103,019)	(100,457)
Total equity		**8,396,636**	**(206,038)**	**8,190,598**	**8,094,182**	**(206,038)**	**7,888,144**
Liabilities							
Non-current liabilities							
Interest bearing Loans and Borrowings		4,702,096	-	4,702,096	5,511,653	-	5,511,653
Deferred taxation liabilities		73,016	-	73,016	79,357	-	79,357
		4,775,112	**-**	**4,775,112**	**5,591,010**	**-**	**5,591,010**
Current liabilities							
Trade and other payables	b	6,041,882	206,038	6,247,920	4,484,103	206,038	4,690,141
Current income tax liabilities		144,048	-	144,048	138,964	-	138,964
Interest bearing Loans and Borrowings		70,725	-	70,725	-	-	-
Deferred revenue		-	-	-	98,610	-	98,610
		6,256,655	**206,038**	**6,462,693**	**4,721,677**	**206,038**	**4,927,715**
Liabilities of disposal group classified as held for sale/distribution to owners		-	-	-	1,187,897	-	1,187,897
Total liabilities		**11,031,767**	**206,038**	**11,237,805**	**11,500,584**	**206,038**	**11,706,622**
Total equity and liabilities		**19,428,403**	**-**	**19,428,403**	**19,594,766**	**-**	**19,594,766**

ii Consolidated and separate Statement of financial position - Company

		The Company			The Company		
	Notes	31 December 2022 previously stated N'000	Impact of adjustment N'000	31 December 2022 restated N'000	1 January 2022 previously stated N'000	Impact of adjustment N'000	1 January 2022 restated N'000
Assets							
Non-current assets							
Property, plant and equipment		28,744	-	28,744	31,402	-	31,402
Intangible assets		10,970	-	10,970	14,315	-	14,315
Investments in joint ventures		124,843	-	124,843	128,122	-	128,122
Equity instrument at fair value		400,240	-	400,240	593,690	-	593,690
Investments in subsidiaries	a	1,719,716	(103,019)	1,616,697	1,719,716	(103,019)	1,616,697
		2,284,513	**(103,019)**	**2,181,494**	**2,487,245**	**(103,019)**	**2,384,226**
Current assets							
Inventories		3,927,220	-	3,927,220	4,468,168	-	4,468,168
Trade and other receivables		1,981,131	-	1,981,131	2,582,801	-	2,582,801
Current tax assets		127,762	-	127,762	96,908	-	96,908
Cash at bank and in hand		2,532,109	-	2,532,109	1,329,891	-	1,329,891
		8,568,222	**-**	**8,568,222**	**8,477,768**	**-**	**8,477,768**
Assets of disposal group classified as held for sale/distribution to owners		-	-	-	-	-	-
Total assets		**10,852,735**	**(103,019)**	**10,749,716**	**10,965,013**	**(103,019)**	**10,861,994**
Equity							
Share capital		9,279,985	-	9,279,985	9,279,985	-	9,279,985
Share premium		8,971,551	-	8,971,551	8,971,551	-	8,971,551
Fair value reserve of financial assets at FVOCI		(166,767)	-	(166,767)	26,683	-	26,683
Other reserves		-	-	-	391,420	-	391,420
Retained earnings	a	(17,442,318)	(103,019)	(17,545,337)	(17,739,024)	(103,019)	(17,842,043)
Equity attributable to equity holders of the Company		642,451	(103,019)	539,432	930,615	(103,019)	827,596
Non controlling interest		-	-	-	-	-	-
Total equity		**642,451**	**(103,019)**	**539,432**	**930,615**	**(103,019)**	**827,596**
Liabilities							
Non-current liabilities							
Interest bearing Loans and Borrowings		4,702,096	-	4,702,096	5,511,653	-	5,511,653
Deferred taxation liabilities		72,537	-	72,537	72,537	-	72,537
		4,774,633	**-**	**4,774,633**	**5,584,190**	**-**	**5,584,190**
Current liabilities							
Trade and other payables		5,327,596	-	5,327,596	4,273,066	-	4,273,066
Current income tax liabilities		37,330	-	37,330	78,532	-	78,532
Interest bearing Loans and Borrowings		70,725	-	70,725	-	-	-
Deferred revenue		-	-	-	98,610	-	98,610
		5,435,651	**-**	**5,435,651**	**4,450,208**	**-**	**4,450,208**
Liabilities of disposal group classified as held for sale/distribution to owners		-	-	-	-	-	-
Total liabilities		**10,210,284**	**-**	**10,210,284**	**10,034,398**	**-**	**10,034,398**
Total equity and liabilities		**10,852,735**	**(103,019)**	**10,749,716**	**10,965,013**	**(103,019)**	**10,861,994**

Notes

a. This relates to the adjustment of N103million to correct the valuation of the investment in the subsidiary which was valued at N108million in error to N5million (being 50% of N10million equity of the subsidiary). Non-controlling was also adjusted by N103million in group book for the remaining 50% held which was also valued in error as N108million as against N5million.

b. This relates to the N206million being carried by the subsidiary of the company as share premium in error which was reclassified to customer deposit liability (component of trade and other payable) upon correction of the error.

31. Financial Reporting Council's Certification Requirement for Professionals Engaged in Financial Reporting Process

In line with Financial Reporting Council of Nigeria certification requirement for professionals engaged in the financial reporting process: external auditors, officers of reporting entities and other professional providing assurance to reporting assurance to reporting entities, below is a list of professionals engaged in the financial reporting process relating to financial statements during the period.

NAME OF PROFESSIONAL	FRC_NUMBER	SERVICES
Goldwyns - Anthony Molade	FRC/2013/ICAN/00000003138	Tax Consultant
Diya Fatimilehin & Co	FRC/2023/COY/098756	Property Valuation Specialist
Society for Corporate Governance Nigeria - Chioma Mordi (Mrs.)	FRC/2014/NIM/00000007899	Board Evaluation Consultant

32. Provision of Non-audit services

Auditor's fees represent fees for the interim and full year audit of the company for the year ended 31 December 2023. Deloitte & Touche rendered an assurance service to the company in relation to the Internal Control over Financial Reporting amounting to N6million.

STATEMENT OF VALUE ADDED

	The Group				The Company			
	2023		**2022**		**2023**		**2022**	
	N'000	%	N'000	%	N'000	%	N'000	%
Sale of properties, rents and services	5,343,622		5,896,957		2,397,109		3,870,963	
Bought in materials and services (All local)	(4,067,310)		(4,782,325)		(1,437,952)		(2,915,467)	
Value Added	**1,276,312**	**100**	**1,114,632**	**100**	**959,158**	**100**	**955,495**	**100**
Distribution:								
Employees	357,043	28	275,934	25	206,678	22	165,569	17
Company Taxes	158,909	12	136,407	12	24,023	3	26,251	3
Interest charges	423,189	33	463,613	42	423,189	44	463,613	49
Depreciation	116,665	9	38,146	3	12,615	1	3,356	-
Transfer to non-controlling interests	(32,008)	(3)	40,874	4	-	-	-	-
Retained Profit/ (Loss)	253,513	20	159,658	14	292,653	31	296,706	31
	1,276,312	**100**	**1,114,632**	**100**	**959,158**	**100**	**955,495**	**100**

Value added represents the additional wealth which the group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creations of more wealth.

Group Five - Year Financial Summary
Statement of financial position as at 31 December

	31-Dec -23 N'000	31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000
Liabilities					
Non-current liabilities	4,774,633	4,775,112	5,591,010	4,345,562	4,341,230
Current liabilities	6,053,974	6,462,693	4,927,716	7,281,122	21,620,331
Liabilities of disposal group classified as held for sale	-	-	1,187,897	946,620	802,626
Total liabilities	10,828,607	11,237,805	11,706,623	12,573,304	26,764,187
Ordinary share capital	9,279,985	9,279,985	9,279,985	9,279,985	1,299,198
Share premium	8,971,551	8,971,551	8,971,551	8,971,551	6,065,397
Other reserves	-	-	391,420		
Revenue reserve and fair value reserve of financial assets at FVOCI	(9,294,236)	(10,001,355)	(10,654,356)	(8,483,675)	(5,014,475)
Shareholders' funds	8,957,300	8,250,181	7,988,600	9,767,861	2,350,120
Non-controlling interest	(121,877)	(59,583)	(100,457)	(48,493)	(178,288)
Total equity	8,835,423	8,190,598	7,888,143	9,719,368	2,171,832
Net equity and liabilities	**19,664,030**	**19,428,403**	**19,594,766**	**22,292,672**	**28,936,020**
PPE & Intangible Assets	8,386,696	8,435,602	66,317	1,824,646	2,417,871
Long term Investments	973,987	525,887	722,616	864,167	129,589
Assets of disposal group classified as held for sale	-	-	8,086,682	8,140,686	15,249,451
Current assets	10,303,347	10,466,914	10,719,151	11,463,174	11,139,109
Total assets	**19,664,030**	**19,428,403**	**19,594,766**	**22,292,672**	**28,936,020**
Comprehensive income					
Revenue	5,343,622	5,896,957	825,404	1,662,487	2,157,614
Profit/ (loss) before taxation	379,935	330,598	(1,617,268)	(262,693)	(16,194,629)
Taxation	(158,430)	(130,066)	(142,969)	(115,023)	454,722
Profit/ (loss) after taxation	221,505	200,532	(1,760,237)	(377,716)	(15,739,907)
Non-controlling Interest	(32,008)	40,874	51,055	11,776	(7,588)
Total comprehensive profit/(loss) attributable to the equity holders of the parent	253,513	159,658	(2,067,662)	(450,926)	(15,875,487)
Retained earnings	253,513	159,658	(2,067,662)	(450,926)	(15,875,487)
Basic earnings/ (loss) per share (kobo)	1	1	(9)	(2)	(115)
Net assets per share (Naira)	0.5	0.5	0.4	0.5	0.8

Note :
The earnings, dividends and net assets per share of 50 kobo are computed respectively on the profit after taxation, proposed dividends and the shareholders' funds each on the basis of the number of shares in issue as at 31st December.

Company Five - Year Financial Summary

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Liabilities					
Non-current liabilities	4,774,633	4,774,633	5,584,190	4,345,562	4,341,230
Current liabilities	6,020,036	5,435,651	4,450,208	6,682,801	21,234,266
Total liabilities	**10,794,666**	**10,210,284**	**10,034,398**	**11,028,363**	**25,575,496**
Ordinary share capital	9,279,985	9,279,985	9,279,985	9,279,985	1,299,198
Share premium	8,971,551	8,971,551	8,971,551	8,971,551	6,065,397
Other reserves	-	-	391,420	-	
Retained earnings and fair value reserve of financial assets at FVOCI	(16,965,845)	(17,712,104)	(17,815,360)	(8,992,879)	(5,082,059)
Total equity	1,285,691	539,432	827,596	9,258,657	2,282,536
Net equity and liabilities	**12,080,357**	**10,749,716**	**10,861,994**	**20,287,020**	**27,858,032**
PPE & Intangible Assets	77,765	39,714	45,717	1,797,657	2,417,506
Long term Investments	2,589,880	2,141,780	2,338,509	971,382	129,589
Assets of disposal group classified as held for sale	-	-	-	-	7,007,890
Current assets	9,412,712	8,568,222	8,477,768	17,517,981	18,303,047
Total assets	**12,080,357**	**10,749,716**	**10,861,994**	**20,287,020**	**27,858,032**
Comprehensive income					
Revenue	2,397,109	3,870,963	540,563	1,597,218	2,157,614
Profit/ (loss) before taxation	316,676	322,957	(8,503,661)	(946,192)	(12,890,376)
Taxation	(24,023)	(26,251)	(75,717)	(113,120)	454,722
Profit/ (loss) after taxation	292,653	296,706	(8,579,378)	(1,059,312)	(12,435,654)
Other comprehensive income for the period net of taxation	-	-	-	166,767	-
Total comprehensive income/(loss)	292,653	296,706	(8,579,378)	(892,545)	(12,435,654)
Basic earnings/ (loss) per share (kobo)	2	2	(46)	(8)	(91)
Net assets per share (Naira)	0.07	0.03	0.1	0.5	0.9

Note :
The earnings, dividends and net assets per share of 3 kobo are computed respectively on the profit after taxation, proposed dividends and the shareholders' funds each on the basis of the number of shares in issue as at 31st December.