(A member of Custodian Investment Plc)

Annual Report 2022

Growth & Sustainability

www.updcplc.com

THE HAMPSHIRE

INFRASTRUCTURE & SERVICES

The estate will be complete with the following infrastructure/ services:

Infrastructure specification:
- Gatehouse
- FM offices
- Children's play area (recreational park)
- Roads with drainage
- Vehicular and pedestrian road network
- Sewage treatment plant
- Power supply
- Street lighting
- Water treatment plant

Post-completion services:
- Facility Management
- Development Control

developed by updc

UPDC Plc, UAC House,
1-5 Odunlami Street, Lagos Island
sales@updcplc.com | www.updcplc.com

090-1000-3018
updcplc

The consolidated and separate financial statements, which are in line with the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act (CAMA 2020) and the Financial Reporting Council (FRC) Act, have been independently audited by Deloitte & Touche.

The financial statements have been prepared in such a manner as to provide stakeholders with an understanding of the company's business, performance, prospects and strategy. This report is also intended to provide stakeholders with an appreciation of the overall environment in which the company operates.

The report covers the operation of UPDC Plc. and its subsidiaries for the financial year ended 31st December, 2022

Contents

Growth & Sustainability

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of UPDC PLC will be held at Arthur Mbanefo Hall, Festival Hotel, Festac Town, Lagos on Thursday, 18th May 2023 at 11am to transact the following businesses:

ORDINARY BUSINESS

1. Lay before the Members, the Report of the Directors, the Consolidated Statement of Financial Position of the Company as at 31st December 2022, together with the Consolidated Statement of Comprehensive Income for the year ended on that date and the Reports of the Auditors and the Audit Committee thereon.

2(a) To elect a director:
Ms. Bidemi Fadayomi

2(b) To re-elect directors:
Mr. Oluwole Oshin and Mr Adeniyi Falade

3. To authorize the directors to fix the remuneration of the Auditors.
4. To elect members of the Audit Committee.
5. Disclosure of Remuneration of Managers.

SPECIAL BUSINESS

6. To fix the remuneration of the Directors.
7. To consider and if thought fit, to pass the following, with or without modification, as a special resolution of the Company:
   a. That the Directors be and are hereby authorized to raise additional capital via the issue of Debt Instruments, Preference shares or Ordinary shares or a combination of any of these options whether by way of Private Placements, Rights to existing Shareholders or Offer for Subscription at a quantum and price upon such other terms and conditions to be determined at the discretion of the Directors and subject to any requisite regulatory approvals; and
   b. That the Directors be and are hereby authorized to do all such acts as the Board may deem necessary or incidental to effect the above resolutions, including without limitation, entering into the necessary agreements, and complying with directives of any regulatory authority.

8. To consider and if thought fit, to pass the following, with or without modification, as a special resolution of the Company:
   a. That the Memorandum and Articles of Association be and are hereby amended by altering same in the manner indicated in Annexure 1.
   b. That the Directors be and are hereby authorised to take all such lawful steps, pass all requisite resolutions, and do all such other lawful acts and/or things as may be necessary for and/or incidental to giving effect to this resolution.

Dated this 5th day of April 2023

BY ORDER OF THE BOARD

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

NOTES

1. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos or sent via email to **cxc@africaprudential.com** not later than 48 hours before the time fixed for the meeting.

2. STAMPING OF PROXY

The Company has made arrangements at its cost for the stamping of duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated timeline.

3. CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from Thursday, 4th May 2023 to Thursday, 11th May 2023 both days inclusive for the purpose of updating the Register of Members.

4. NOMINATION TO THE STATUTORY AUDIT COMMITTEE

Pursuant to Section 404(6) of the Companies & Allied Matters Act 2020, any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commission's Code of Corporate Governance for Public Companies has indicated that members of the Audit Committee should have basic financial literacy and should be able to read Financial Statements.

5. DIRECTORS RETIRING BY ROTATION

In accordance with the Articles of Association of the Company, Mr. Oluwole Oshin and Mr Adeniyi Falade retire by rotation at the meeting and being eligible, offer themselves for re-election. Ms Bidemi Fadayomi who was appointed to the Board since the last Annual General Meeting shall retire at this meeting and will be presented for election. The biographical details of the directors submitted for re-election/election are contained in the Annual Report and on the Company's website at **www.updcplc.com**.

6. RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before Monday, 15th May 2023.

7. UNCLAIMED DIVIDENDS

Shareholders who are yet to claim their outstanding dividends are hereby advised to complete the e-dividend registration form by downloading the Registrar's E-Dividend Mandate Activation Form, which is available at **http://sec.gov.ng/wp-content/uploads/2016/04/Afric-Prudential-EDMMS-Form_2018.pdf**, and submit to the Registrars at Africa Prudential Plc, 220b Ikorodu Road, Palmgrove Lagos or their respective Banks for the purpose of claiming their outstanding dividends.

Corporate Information

DIRECTORS

Mr. Oluwole 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

REGISTERED OFFICE
UAC House
1-5 Odunlami Street
Marina,
Lagos.

SUBSIDIARIES
UPDC Facility Management Limited
UPDC Hotels 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		
	2022 N'000	2021 N'000	% Change	2022 N'000	2021 N'000	% Change
Revenue	5,896,957	825,404	614	3,870,963	540,563	616
Operating profit/(loss)	707,844	(899,215)	179	708,959	(7,784,883)	109
Net finance cost	(377,246)	(718,053)	47	(386,002)	(718,778)	46
Profit/ (loss) before taxation	330,598	(1,617,268)	120	322,957	(8,503,661)	104
Taxation	(130,066)	(142,969)	9	(26,251)	(75,717)	65
Loss from discontinued operations	-	(116,286)	100	-	-	
Profit/(loss) for the year	200,532	(1,876,523)	111	296,706	(8,579,378)	103
Total comprehensive profit/(loss) for the year	7,082	(2,016,607)	100	103,256	(8,719,462)	101
Total Equity	8,396,636	8,094,182	4	642,451	930,615	(31)
Total equity and liabilities	19,428,404	19,594,765	(1)	10,852,736	10,965,013	(1)
Cash and Cash equivalents	3,161,475	1,878,320	68	2,532,109	1,329,891	90
Basic Profit/(Loss) Per Share (Kobo)	1	(10)	111	2	(46)	103
NSE quotation as at December 31 (kobo)	91	119		91	119	
Number of shares in issue ('000)	18,559,970	18,559,970		18,559,970	18,559,970	
Market capitalisation as at December 31 (N'000)	16,889,573	22,086,364		16,889,573	22,086,364	

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

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

DIRECTORS' PROFILES

Mr. Oluwole Oshin
Chairman

Mr. Oluwole Oshin is an industry leader with over 30 years' experience and has at various times been a member of the Presidential Committee on Pension Reforms, Chairman of the Nigerian Insurers Association, Council Member of the African Insurance Organization [Cameroun], Companies Association [Ghana] and External Lecturer – West African Insurance Institute, Banjul, The Gambia.

Mr. Oshin sits on several Boards including the International Insurance Society [IIS], New York and Nigerian Insurers Association. He is also an Advisory Board Member of the Common Wealth Enterprise and Investment Council (United Kingdom). He has received numerous awards including nomination as "African CEO of the Year" by African Reinsurance Corporation, and the Harvard Business School Association of Nigeria (HBSAN) Leadership Award for General Management.

Mr. Oshin joined the Board of the Company on 5th January 2021 and was appointed the Chairman of the Board on 13th January 2021.

Mr. Odunayo Ojo
Chief Executive Officer (CEO)

A consummate real estate professional, Mr. Odunayo Ojo has been involved in property development, asset management, private equity and advisory services for various asset classes including master planned communities, mixed-use schemes, shopping centres, commercial buildings and hotels.

Prior to his appointment as the CEO of UPDC Plc, Mr Ojo held several roles such as CEO of Alaro City, Director of Development and Projects at Eagle Hills, Abu Dhabi, Development Director at Laurus Development Partners, Vice President at Ocean and Oil Holdings and Business Manager at UPDC Plc.

Mr. Ojo is a member of the Royal Institution of Chartered Surveyors (RICS), The Nigerian Institution of Estate Surveyors and Valuers (NIESV) and a Registered Surveyor and Valuer (RSV). He holds a Master's in Business Administration (MBA) and a Bachelor's Degree (BSc) in Estate Management. He was appointed the CEO and director with effect from 4th May 2021. He is a member of the Board Finance, Investment and Operations Committee and the Board Risk, Audit and Compliance Committee.

Ms Bidemi Fadayomi

Development Director

Ms Fadayomi is a seasoned real estate professional with over 19 years' experience in Africa and the UK focused on residential, mixed use and commercial real estate markets. She is respected for flawlessly executing highly complex global transactions and managing cross-functional project teams to achieve the desired performance levels. Ms Fadayomi holds a Bachelor of Science and a Bachelor of Architecture from the University of Wales, Cardiff.

Prior to joining UPDC, Ms Fadayomi's roles included Head, Real Estate Asset Development of Argentil Asset Management Limited, Vice President, Real Estate for Avante Property Asset Management Services, Project Manager for Trench Farrow, UK and Project Architect at Aedas Architects UK.

Ms Fadayomi was appointed an Executive Director of the Company on 28th July 2022. She is a member of the Board Finance, Investment and Operations Committee and the Board Risk, Audit and Compliance Committee.

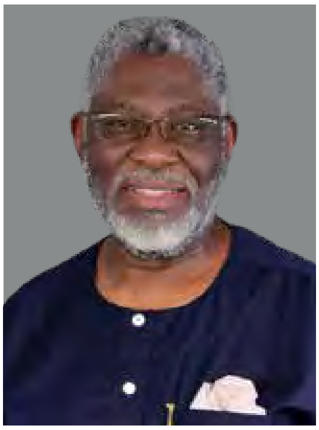
Mr. Folasope Aiyesimoju

Non- Executive Director

Mr. Aiyesimoju is a finance professional with experience spanning corporate finance, principal investing and private equity. He holds a B.Sc (Hons) degree in Estate Management from the University of Lagos, where he was awarded a Certificate of Excellence in Real estate development and finance and earned the right to use the CFA designation in 2006.

Mr. Aiyesimoju is the founder of Themis Capital Management, an investment firm focused on concentrating capital and talent on high-potential opportunities in Sub-Saharan Africa. Prior to founding Themis, he worked with Kohlberg Kravis Roberts, a leading global investment firm; Standard Bank Group, where he led mergers and acquisitions in Nigeria; Ocean and Oil Holdings Limited and ARM Investment Managers. He is a co-founder and Non-Executive Director of Foodpro Limited and the Group Managing Director of UAC of Nigeria PLC.

Mr. Aiyesimoju is a Non-Executive Director of UPDC PLC. He chairs the Board Risk, Audit and Compliance Committee and is a member of the Board Finance, Investment and Operations Committee as well as the Board Remuneration & Governance Committee.



Mr. Oyekunle Osilaja

Non- Executive Director

Mr Osilaja is an experienced Board and Investment Committee member with some 35 years' experience in international real estate and financial services. He was Group Head (Snr Vice President) of Real Estate for Ecobank Transnational Inc (ETI) and Head of Ecobank Capital, Nigeria - responsible for overseeing and Chairing the Boards of entities: Investment Banking, Asset Management, Securities Trading and Registrars businesses in Nigeria.

Prior to joining ETI in 2012, he spent most of his career in the UK at Jones Lang LaSalle (world's largest firm of real estate advisors) where he was the Chair of Lead Directors JLL Corporate Finance and Head of Debt & Structured Finance (Europe, Middle East & Africa) specializing in real estate finance - advisory, debt and equity capital markets in the UK and Western Europe.

He has advised on various projects including Greenwich Peninsula (and Millennium Dome); regeneration of King's Cross Central; Four Seasons Hotel, Milan; The Adelphi office London, London Stratford City, and various Commercial Mortgage-Backed Securities (CMBS) and Non-Performing Loans (NPL) transactions.

He sat on the board of Old Mutual Gen Insurance Company, Nigeria and the Investment Committee of CAPIC Fund (part of Africa Capital Alliance). He is currently the Chair of EDC Securities Ltd and Board member of EDC Asset Management Ltd. He is also a Non-Executive Director of Eko Atlantic City Management Co Ltd, ITB Construction Nigeria Ltd and HiTech Construction Ltd.

Mr Osilaja was appointed a Director of the Company on 10th January 2021. He chairs the Board Remuneration & Governance Committee and is a member of the Board Finance, Investment and Operations Committee, the Board Risk, Audit and Compliance Committee and the Statutory Audit Committee.

Mr. Adeniyi Falade

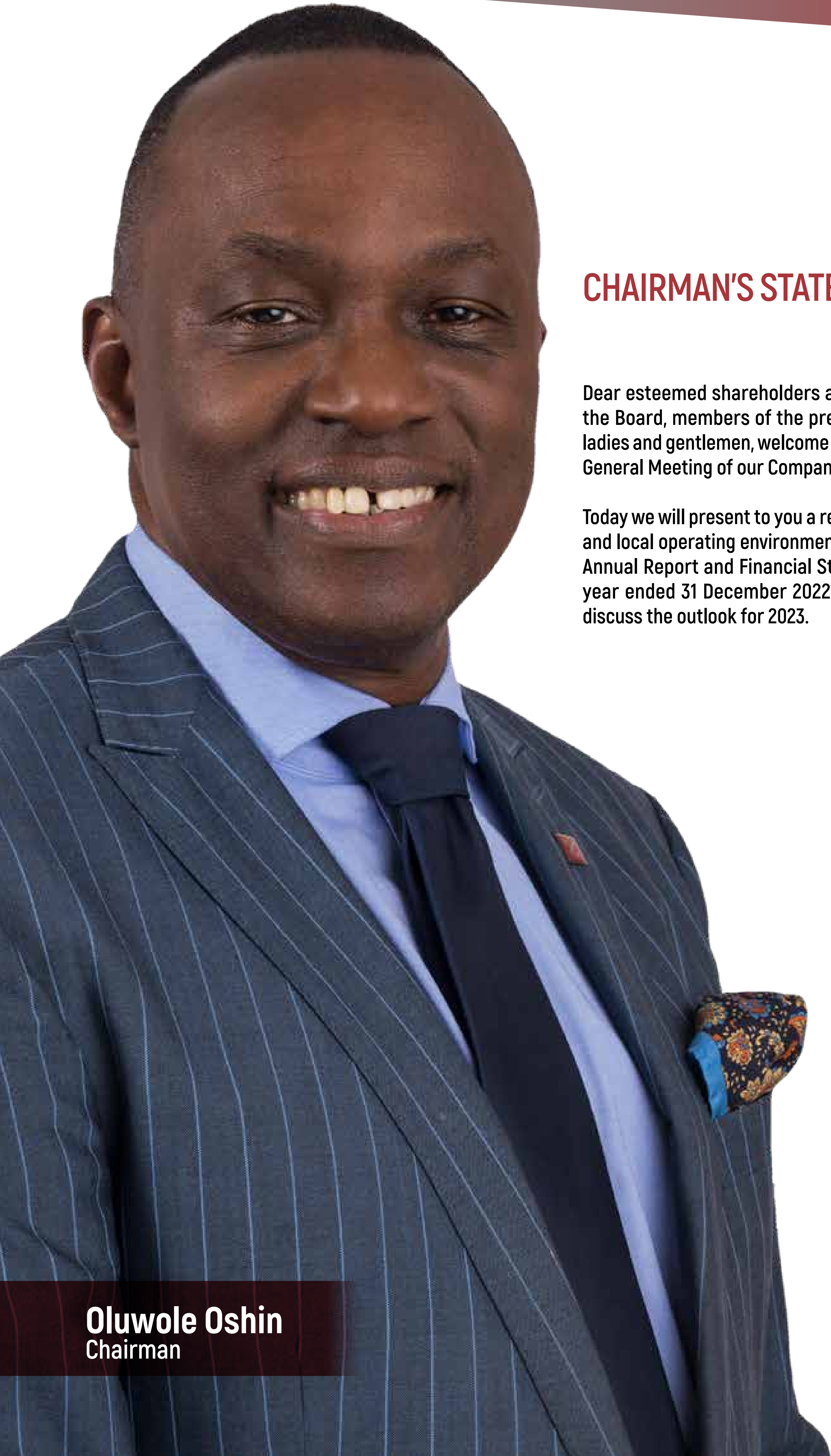
Non- Executive Director

Mr Falade is a Chartered accountant, Chartered Stockbroker and an Investment Banker. He had his professional accountancy training at PricewaterhouseCoopers Lagos, and Coopers & Lybrand Limited, Lagos. Before his recent appointment as Group Executive Director of Custodian Investment PLC, he was the Managing Director of Crusader Sterling Pensions Ltd. He had also served as the Managing Director of Lead Capital and Head of Investment Banking Groups of Ecobank Nigeria Plc and Lead Bank Plc at various times. He was also the Head of Internal Control/ Chief Inspector and Head of Risk Management Department of Lead Bank Plc much earlier in his career.

Mr Falade holds a Master of Business administration (MBA) from the University of Warwick, United Kingdom and a Bachelor of Science degree (BSc), from the University of Ibadan. He is a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate of the Institute of Chartered Stockbrokers of Nigeria.

He serves on the Board of many companies as a non- executive director including: Custodian Trustees Limited, Custodian and Allied Insurance Limited, Interstate Securities Limited and UPDC Hotels Limited. He currently also serves as the Chairman of UPDC Facility Management Limited.

Mr. Falade was appointed a Director of the Company on 5th January 2021. He chairs the Board Finance, Investment and Operations Committee and is a member of the Board Risk, Audit and Compliance Committee, Board Remuneration & Governance Committee and the Statutory Audit Committee.



CHAIRMAN'S STATEMENT

Dear esteemed shareholders and colleagues on the Board, members of the press, distinguished ladies and gentlemen, welcome to the 25th Annual General Meeting of our Company, UPDC Plc.

Today we will present to you a review of the global and local operating environment, your company's Annual Report and Financial Statements for the year ended 31 December 2022, and we will also discuss the outlook for 2023.

Review of Global Operating Environment

The global economy faced several challenges in 2022 with growth significantly losing momentum. Increased geopolitical tensions arising mainly from Russia's invasion of Ukraine led to natural gas supply cuts, surging energy prices, hampered industrial production and food shortages, ultimately driving inflation to record highs and creating a cost-of-living crisis. The US dollar appreciated against other major currencies across the globe, hitting a two-decade high in September 2022. Many economies had to deal with the inflationary pressure resulting from the relative weakness of their currencies, especially emerging markets with higher import dependency and greater share of dollar-invoiced imports compared with their advanced counterparts.

Central Banks of most advanced economies employed tighter monetary policy measures particularly aimed at curbing the effects of inflation. Overall, slowdown in the growth of advanced economies owing to declining confidence, dampened risk appetite, high inflation and rapid monetary policy tightening with higher interest rates led to widespread capital outflows and slowing bond issuances across Emerging Market and Developing Economies. As a result, many developing countries have struggled with worsening domestic conditions.

Global growth prospects have continued to weaken amid the effects of negative shocks witnessed in 2022. The World Bank expects global growth to slow from 2.9% in 2022 to 1.7% in 2023 occasioned by sub-potential growth in the United States, the Euro area and China as well as the spill over effects on emerging markets and developing economies.

Global Real Estate

Economic headwinds across the globe weighed notably on real estate market activity in 2022. Occupiers took a more cautious approach to decision making with reduced requirements in some cases. Investor sentiment dampened as a result of sustained volatility in the economy and financial markets. Transaction volumes also weakened as monetary policy tightening by major central banks drove borrowing costs significantly upwards. Global investment volume is estimated to have declined by 20% year-on-year from 2021 with rising interest rates and worsening economic conditions negatively impacting investment activity particularly in the second half of 2022.

Investor demand continues to tilt towards the residential sector, albeit cautiously due to higher financing costs. The industrial and logistics sector demonstrated resilience with healthy levels of demand and strong fundamentals. Rents continue to rise across the globe, however, with rising cost of energy, industrial occupier demand should shift to sustainable new facilities as well as retrofitting of existing ones. Retailers have taken a cautious approach to acquiring new space with more emphasis on optimizing profitability across their existing space. The hotels and hospitality sector showed growth supported by increased travel demand and recovery of urban activities to pre-pandemic levels. Global office leasing volumes witnessed greater momentum as more employees return to the office.

The Nigerian Economy

The year 2022 was marked by heightened political activities in the build up to the 2023 general elections. The Nigerian economy however, maintained its economic recovery albeit short of expectations due to several factors including the impact of the Russia-Ukraine war, inflationary trends and weak industrial productivity across the globe, domestic policy uncertainty, sustained devaluation of the Naira as well as fiscal and monetary tightening. Nigeria's annual Gross Domestic Product (GDP) growth rate in 2022 fell to 3.1% from 3.4% reported in 2021 with a contraction in the oil sector, weak industry sector performance and reduced agricultural production largely driven by severe incidences of flood. As with most countries across the globe, the socioeconomic situation in the country deteriorated.

Nigeria fell short of its revenue projections due to gross underperformance of the oil sector. Despite higher global oil prices, factors including oil theft, fuel subsidy payments and insufficient investment negatively impacted the sector. Public debt position also continued to be a major challenge for economic growth as 89.4% of government revenue between January and November 2022 was expended on debt service. Analysts estimate Nigeria's debt service to revenue to have reached 91.8% by the end of 2022. Capital expenditure was significantly weighed by this huge public debt service burden, which exceeded projections by 75.7%.

The Central Bank of Nigeria (CBN) employed monetary policy tightening measures in order to maintain an elevated interest rate environment and curb inflation. The Monetary Policy Committee (MPC) increased the Monetary Policy Rate (MPR) four times from 11.5% to 16.5% and the Cash Reserve Ratio by 0.25% to 32.5%. Similarly, in December 2022, the CBN initiated the redesign of the N200, N500 and N1,000 notes to manage the supply of money. This amongst other domestic and external factors like the country's heavy dependence on imports triggered further depreciation of the Naira against the

US Dollar, especially in the parallel market. The Naira closed the year at N 461.50/$1.00 at the official window down from N435/$1.00 at the beginning of 2022. In the parallel market, the exchange rate nearly hit the N1,000/$1.00 mark in the fourth quarter of 2022 compared with the $561 to $570 range where the currency traded in January 2022, before settling at N735 to N745 to a dollar at the end of the year.

Based on the IMF's projections, the Nigerian economy is expected to grow by 3.2% in 2023. However, the policy direction of the new regime following the conclusion of the 2023 general elections would be critical to shaping the economic trajectory of the country in the future.

The Nigerian Real Estate Industry

A report by the National Bureau of Statistics (NBS) shows that the construction and real estate sectors contributed N29 trillion to the Gross Domestic Product (GDP) of Nigeria in 2022. While construction services earned N18.7 trillion, real estate contributed N10.2 trillion to the GDP. The steady return to normal activity following the pandemic has driven demand for both residential and commercial facilities particularly in major cities like Lagos and Abuja.

The year 2022 witnessed increased demand for prime residential apartments. Despite rising construction costs, supply of high-end residential apartments continues to grow in response to surging demand for better quality homes while increase in the cost of travel and accommodation continues to drive demand for short-let apartments in Nigerian cities. The National Pension Commission (PenCom) approved the issuance and implementation of the guidelines on Retirement Savings Accounts (RSA) Holders accessing their account balance towards payment of equity contribution for residential mortgage. This approval should result in increased demand for residential accommodation as Pension Fund Administrators (PFAs) are partnering mortgage banks to ensure that contributors benefit from the scheme.

Weak demand characterized the office market as work-from-home policies and hybrid working patterns continue to subsist in a lot of businesses. Occupiers have continued to reduce their office footprints in order to contain costs. In the industrial sector, there is rising demand for high quality warehouses. However, inadequate utilities infrastructure and unreliable transportation continue to weigh on the growth of the market.

Review of Operations

Despite the challenging business environment, the Company continued to execute its ongoing development projects and recorded significant growth in property sales and other revenue lines as compared with the previous year. Our hospitality business – The Festival Hotel was fully re-operationalized during the year following completion of renovations of the Hotel facilities, while our Facility Management business - UPDC Facility Management Limited, maintained a steadied improved performance in 2022 growing revenues by N239 million and increasing assets under management to 34 estates.

In December 2022, UPDC acquired c.50 Hectares of land located along Monastery Road in Sangotedo, Lekki. The focus of this acquisition is the development of a site and service scheme targeted at the middle-income class.

UPDC also marked its 25th anniversary over the course of the year with a summit tagged Housing Development Imperatives for Nigeria: Prospects and Challenges. The summit provided a platform for industry experts to discuss various pathways to solving the challenges and maximizing the opportunities in Nigeria's real estate market.

Financial Performance

UPDC Group posted total revenue of N5.9 billion in 2022 compared to N825 million recorded in 2021 (company: N3.9 billion revenue in 2022 compared to N541 million in 2021). Property sales accounted for N5.1 billion of the total revenue in 2022 compared to N404 million in 2021.

The Company's interest-bearing debt reduced to N4.7 billion as at December 2022 compared to N5.5 billion as at December 2021 due to repayment of the bridge portion of the Shareholders' loans from CIP & UACN Plc. Borrowing costs also reduced from N764 million in 2021 to N464 million in 2022.

After 6 consecutive years of losses, the Company returned to profitability with a profit before taxation (PBT) Group of N331 million compared with a loss before taxation of N1.6 billion recorded in 2021 (company: N323 million profit before taxation compared with a loss before taxation of N8.5 billion in 2021). The Total Comprehensive Profit for the year was N7 million, compared with a profit of N2.02 billion recorded in 2021 (company: N103 million loss, compared with N8.7 billion recorded in 2021).

Outlook for 2023

Economic growth prospects for Nigeria appear positive based on analysts' projections. However, developers, investors and occupiers will likely adopt a wait-and-see approach in the first half of the year in order to gauge the economic climate after the 2023 elections.

We expect to see expansion in the real estate market as local developers capitalise on mid-income markets. The growth in supply of new towns and senior living centres supported by strong infrastructure is expected to continue, accompanied by strong demand for affordable housing, particularly in major cities like Lagos and Abuja. UPDC has identified some key strategic imperatives that will drive its performance in 2023. In addition to closing out on Pinnock Prime Estate, UPDC intends to launch at least two new developments targeted at the middle-income class in 2023. The Company will continue to seek development partnerships with landowners in order to manage the capital outlay required to start new projects. The management team will continue to drive sales on existing inventory, to generate more revenue and grow the Company. For new developments, the Company will focus on site and service schemes due to the speed of revenue generation. Plans are also in place to grow the Development Management, Asset and Property Management business lines by onboarding new clients. We will also leverage more on Information technology to achieve better efficiency, especially in Finance, Sales, Operations and Project Management.

Leadership & Board Changes

I would like to inform you that since the last Annual General Meeting, there have been changes to the Board of Directors and leadership of the Company. Ms. Bidemi Fadayomi was appointed as Executive Director of UPDC Plc. while Ms Tokunbo Lawal was appointed as Managing Director of UPDC Facility Management Ltd. (UPDCFM), following the resignation of Mrs. Alaba Fagun. Please join me in thanking the former Managing Director of UPDCFM for her invaluable contributions and services to the Company and welcoming the newly appointed directors. I wish them all the best in their new roles.

Conclusion

I wish to thank all our esteemed Shareholders for your continued interest in our Company. Notwithstanding the face of harsh economic conditions and operating environment, we have demonstrated resilience with our performance and charted a new course of growth and profitability due to your unwavering support. I also wish to thank our customers, consultants, contractors, all our staff and other stakeholders for their continuing support. We believe that the Company will consolidate its 2022 performance as we all continue to work towards growth and profitability. The Board and Management of the Company remain committed to realizing these goals.

Thank you all for your attention.

Oluwole Oshin
Chairman
FRC/2013/CIIN/0000003054

UPDC @ 25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Directors' Report

The Directors have the pleasure of submitting their annual report, together with the audited financial Statements for the year ended 31st December 2022.

Principal Activities

Founded in 1997, UPDC PLC is a seasoned property 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

Operating Results

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	5,896,957	825,404	3,870,963	540,563
Gross profit/(loss)	1,607,724	140,278	840,448	(64,355)
Operating expenses	(1,351,746)	(908,523)	(677,104)	(813,195)
Operating Income/(loss)	707,844	(899,215)	708,959	(7,784,883)
Net finance cost	(377,246)	(718,053)	(386,002)	(718,778)
Profit/ (loss) before taxation	330,598	(1,617,268)	322,957	(8,503,661)
Taxation	(130,066)	(142,969)	(26,251)	(75,717)
Profit/(loss) from continuing operations	200,532	(1,760,237)	296,706	(8,579,378)
Loss from discontinued operations	-	(116,286)	-	-
Profit/(loss) for the year	200,532	(1,876,523)	296,706	(8,579,378)
Fair value loss on financial assets	(193,450)	(140,084)	(193,450)	(140,084)
Total comprehensive profit/(loss) for the year	**7,082**	**(2,016,607)**	**103,256**	**(8,719,462)**

Dividend

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

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 Stock Exchange were as follows:

	31 December 2022		31 December 2021	
	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	859,374,997.50
2014 to 2016	None	1,718,749,995	859,374,997.50
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

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	462,297,176	2.49
Other Corporate bodies	1,090	677,819,903	3.65
Total	28,434	18,559,969,936	100

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 Plc, 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

Health and safety is highly fundamental and to this end, UPDC has 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 to be used in line with safety regulations.

Employees are duly covered under Health Insurance schemes. Each employee's HMO cover includes a spouse and up to four children. Through this arrangement, employees and their families can access healthcare from a range of well-equipped healthcare providers.

HIV/AIDS

UPDC promotes occupational health by providing HIV/AIDS awareness training. We do not discriminate against any employee based on his/her HIV status. The HIV status and medical records of individuals are kept strictly confidential.

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 also often awarded for individual performances. There are also incentive initiatives that are tailored to foster engagement and encourage team performance. All these are aimed at boosting employee morale which in turn impacts 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 quest 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.

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.

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 have 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 the 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 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 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, 2022. The Board believes that the use of an independent consultant promotes the objectivity and 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 remunerated 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 2022 financial year. The following table shows the attendance of Directors at the Board meetings:

DIRECTORS	7/3	21/4	28/7	18/10
Mr Oluwole Oshin	P	P	P	P
Mr Odunayo Ojo	P	P	P	P
Mrs Folakemi Fadahunsi	P	NLM	NLM	NLM
Ms Bidemi Fadayomi	NYAM	NYAM	NYAM	P
Mr Folasope Aiyesimoju	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	AWA
Mr Adeniyi Falade	P	P	P	P

Key:

P - Present
NLM - No Longer A Member
NYAM - Not Yet A Member
AWA – Away With Apology

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 Remuneration and Governance Committee and the Statutory Audit Committee.

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
Mrs Folakemi Fadahunsi
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 seven (7) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

Directors	28/2	21/4	28/6	26/7	7/8	17/10	22/12
Mr Adeniyi Falade	P	P	P	P	P	P	P
Mr Folasope Aiyesimoju	P	P	P	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P	P	P	P
Mr Odunayo Ojo	P	P	P	P	P	P	P
Mrs Folakemi Fadahunsi	P	NLM	NLM	NLM	NLM	NLM	NLM
Ms Bidemi Fadayomi	NYAM	NYAM	NYAM	NYAM	P	P	P

Key:
P: Present
NLM - No Longer A Member
NYAM - Not Yet A Member

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
Mrs Folakemi Fadahunsi
Ms Bidemi Fadayomi

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

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 exercises 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, obtains appropriate (internal and/or external) assurance and reports 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
- Oversees the process for the identification of fraud risks across the Company and ensures that adequate prevention, detection and reporting mechanisms are in place.

Committee Meetings

The Committee met four (4) times during the year. The following table shows the attendance of the members of the Committee at the meetings:

DIRECTORS	2/3	21/4	26/07	13/10
Mr Folasope Aiyesimoju	P	P	P	P
Mr Adeniyi Falade	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	AWA
Mr Odunayo Ojo	P	P	P	P
Mrs Folakemi Fadahunsi	P	NLM	NLM	NLM
Ms Bidemi Fadayomi	NYAM	NYAM	NYAM	P

Key:
P - Present
NLM - No Longer A Member
NYAM - Not Yet A Member
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	17/3	13/10
Mr Oyekunle Osilaja	P	P
Mr Fola Aiyesimoju	P	P
Mr Adeniyi Falade	P	P

Key:
P - Present

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 by 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 Oyekunle Osilaja
Mr Adeniyi Falade

Committee's Meetings

The committee met four (4) times during the year.

The following table shows members' attendance at the four (4) meetings of the Committee in 2022:

DIRECTORS	4/3	19/4	19/7	11/10
Mr Joe Anosikeh	P	P	P	P
Alhaji Gbadebo Olatokunbo	P	P	P	P
Engr Taiwo Fawole	P	P	AWA	P
Mr Oyekunle Osilaja	AWA	P	P	AWA
Mr Adeniyi Falade	P	P	P	P

Key:

P - Present
AWA – Away With Apology

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 recommendations 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 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.

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 instil 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 malpractice 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.

The 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 violation, attempted violation of the Policy, 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 meetings 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 the 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

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA
Leadership and Integrity

BOARD EVALUATION REPORT FOR THE BOARD OF UPDC PLC

EXECUTIVE SUMMARY

The Society for Corporate Governance Nigeria was engaged to conduct an independent evaluation/assessment of the performance of the Board of UPDC PLC for 2022 as part of stipulated regulatory requirement.

SCOPE

The scope of the evaluation covered the following areas:

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

Below is a summary of our findings:

Leadership:

The Board Chairman exhibits a leadership style that promotes an environment that encourages and supports the active participation and contribution of Board members at meetings. The position of the Chairman and Managing Director are held by separate individuals which shows clear separation of powers between both offices. The Chairman is a Non-Executive Director and not a member of any board committee in line with regulatory requirements.

Board Meetings:

The Board met four (4) times with an aggregate attendance of 100% in the period under review. Meetings held were constructive, aligned to the agenda and directors gave meaningful contributions. Board packs were circulated to directors to better prepare for meetings. The Board adequately performed its oversight and other functions on the company.

Board Composition & Capacity:

The Board comprises of a total of six (6) directors: One (1) Female and Five (5) Male. The board composition is as follows- Two (2) Executive Directors, Four (4) Non-Executive Directors.The Board is diverse in skill and experience. However, we recommend the appointment of an Independent Non-Executive Director to serve as a strong independent voice on the board.

Board Committees: The Board has Four (4) committees namely: Finance and Investment Operations Committee, Risk Audit and Compliance Committee, Governance and Remuneration Committee and Statutory Audit Committee. These committees met regularly as required by regulators, with members in attendance. All committees have charter / articulate Terms of Reference. The Chairman of the Board is not a member of any Board Committee. However, we recommend a reconstitution of the Board Audit, Risk and Compliance Committee to include only NEDs and INEDs as provided by principle 11.4.3 of the NCCG 2018.

Board Oversight Functions: All policy documents were sighted and assessed for content and relevance and were found to be detailed, comprehensive, and articulate in efficiently guiding business processes and mitigating risk exposures.

Director Appointment & Development: Directors have shown commitment to regular trainings to update their knowledge and skill. However, we recommend The Board prioritize key training programmes on emerging issues in the Company's business environment.

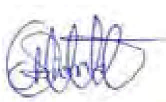
Risk Management & Compliance: The Board has established an adequate Risk Management framework for managing risk exposures and ensuring effective internal control systems. The Board has established processes and systems for assessing, monitoring, managing, and reporting regulatory compliance. The Board ensures an annual risk assessment duly evaluating all risk exposures of the Company's business. The risk management function is headed by a qualified management team that periodically reports to the risk management committee of the Board.

Based on the analysis of the result, the Board of Directors have demonstrated its dedication and commitment to the growth and success of the Company. This is demonstrated by their contributions, individual 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.

In line with Securities and Exchange Commission, Corporate Governance Guidelines, and the Nigerian Codes of Corporate Governance (NCCG), we have found that UPDC PLC to a large extent is compliant in regulatory requirements and recommended best practices for the period under review (2022).

In all, we are happy to state that the Board of UPDC PLC conducted its affairs in an acceptable and satisfactory manner in 2022.

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA



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

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 Defence" 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 Defence'. Process owners are responsible for risk identification, prevention and implementation of internal controls as set by the second and third lines of defence. The Internal Control Department functions as the 'Second Line of Defence', 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 Defence 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 identifies 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 engagements 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 regard 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.
- Engaging 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.

2022 Risk Management Outlook

The business in the review period saw an improvement in some key performance indicators in comparison to the previous year despite unfavourable macro-economic factors that directly increased the cost of doing business.

Based on the insights drawn from previous risk management structures put in place, we were able to navigate our risk landscape successfully for the achievement of corporate objectives.

Each business risk is managed by the head of the function responsible for implementing the agreed controls. The end-to-end management of these business risks are presented to the Risk Audit and Compliance Committee and Board to ensure these risks are mitigated and within our risk appetite.

We present below our top 10 business risks identified and managed by the guidelines of our Enterprise Risk Management Framework.

Key:

↔	↓	↑
No Change	Decreased	Increased

#	Business Risk	Risk Definition	Mitigation	2022 Trend
1	**Forex Rate**	· Risk of further depreciation of the Naira	· Ensure that the company's contracts have clauses that cushion the effect of currency fluctuations for all projects.	↓
2	**Sales/Competition**	· Inability to play in target market with counter strategies against competition	· Rigorous sales efforts · Maintain relationship with sales agents at key locations. · Adopting market led strategies	↑
3	**Construction/ Development Risks**	· Project Management risks associated with the inability in planning, organizing, and managing of resources to bring about the successful and timely execution of projects	· Use of standard contracts which ensure full and proper allocation of risk and responsibilities. · Carry out market survey quarterly and maintaining cost database to ensure regular updates on cost trends.	↓
4	**Lack of Profitability**	· Declining Margins	· Improve efficiency through cost control. · Continued efforts to source for cheaper debt financing.	↓
5	**Liquidity Risks**	· Liquidity risk arising from the company's inability to meet its financial obligations in a timely and cost-effective manner.	· Timely disposal of property stock, unlocking value in investment properties. · Aggressive sale of property stock and investment property to generate cash. Strict adherence to terms on contract and letter of award.	↓

#	Business Risk	Risk Definition	Mitigation	2022 Trend
6	**People Risks**	• Inadequate skills, knowledge and experience required to achieve business objectives and/or sustain growth	• Maintain talent management activities such as training, job enrichment, job rotation, performance evaluation & counselling.	↔
7	**Inadequate Data Governance/ Cybersecurity Risks**	• This is a risk that arises from inadequate data governance practices and information availability, integrity, and security.	• Deployment of high-end IT infrastructure and robust threat management system.	↓
8	**Interest Rate**	• This is a risk arising from upward changes in the interest rate.	• Unlocking value from encumbered and low performing assets	↑
9	**Reputational Risks**	• Unfavorable events that can damage the organization's image with its stakeholders.	• Drive service quality at all client facing roles. • Quick resolution of customer complaints • Regular feedback and surveys from customers	↓
10	**Socio-political Risks**	• Uncertainties due to the actions of governmental, regulatory and/ or non-governmental groups (communities, human rights groups etc.)	• Good rapport with stakeholders e.g., Government, Local Communities. • Leveraging on relationships with such communities and CSR Initiatives.	↓

PINNOCK PRIME ESTATE GROUND BREAKING

Statement of Directors' 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 International Financial Reporting Standards (IFRS), 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
Chairman
FRC/2013/CIIN/0000003054

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

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria
Lagos

Deloitte & Touche
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Nigeria
Tel: +234 (1) 904 1700
www.deloitte.com.ng

INDEPENDENT AUDITORS' 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 43 to 114, which comprise the consolidated and separate statements of financial position as at 31 December 2022, 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 a summary of significant accounting policies.

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 2022, and its consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, 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 Act.

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.

Material uncertainty related to Going Concern

We draw your attention to Note 18 of the financial statements, which indicates that a subsidiary of the Group, UPDC Hotel Limited incurred a net loss of N2.9 billion during the year ended 31 December 2022 and, as of that date, the Company's current liabilities exceeded its total assets by N7.7billion. As stated in Note 30.1, these events or conditions, along with other matters as set forth in the note, indicate that a material

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uncertainty exists that may cast significant doubt on the subsidiary's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

We draw your attention to Note 31 of the financial statements, which describe an error relating to restatement of prior year that affected comparative figures. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on the matter.

Key Audit Matter	How the matter was addressed in the audit
Valuation of property, plant and equipment of UPDC Hotel Limited (UHL)	**Our procedures included the following among others:**
Consequent to the decision of the Board of directors to discontinue disposal of the investment in UPDC Hotel Limited (i.e., Festival Hotel) during the year, the Group valued and reclassified the property, plant and equipment of UPDC Hotel Limited which had earlier been reported as assets held for sale and a discontinued operation since 2017. These valuation and reclassifications were done in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations to determine the recoverable amount of the property, plant and equipment which amounted to N8.2billion as at 18 August 2022. The determination of the fair value of the property, plant and equipment involves management's estimate and exercise of significant judgment, which requires key subjective inputs and assumptions. The level of judgment involved in the determination of the fair value, makes the assets an area of significance in our audit. Management engaged Messrs. Knight Frank Nigeria, Estate Surveyors and Valuers (FRC/2013/00000000584) for the valuation of the Property, plant and equipment on 18 August 2022.	• Evaluated the qualification of the external experts engaged by management to ensure that they were qualified to carry out the valuation. • Assessed the valuation results by the external expert engaged by management by comparing it to relevant independent property price information. • Robustly challenged the assumption and reperformed some of the valuation computation to assess for reasonableness. • As part of our robust challenge of the valuation, we engaged Deloitte & Touche property specialist to review and evaluate the reasonableness of assumptions made for the valuation of the property, plant and equipment of the company. • Based on our review, we found that management estimates and assumptions in determining the fair value of the property, plant and equipment in the Group's financial statements were reasonable and appropriate in the circumstance.

Other matter

The consolidated and separate financial statements for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements. We do not express an opinion or any other form of assurance on the 2021 consolidated and separate financial statements as a whole.

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

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Matters Act, 2020, and the Financial Reporting Council of Nigeria Act, 2011, 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 International Financial Reporting Standards, 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 Act 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 the 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.

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- 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.

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated and separate financial statements of the current period and is therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the Companys financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March 2023

Engagement Partner:
Joshua Ojo
FRC/2013/ICAN/00000000849

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 2022 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 2022 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 13th day of March 2023

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

Members of the Committee

Surv. Joe O. Anosikeh	Chairman
Alhajt Gbadebo Olatokunbo	Member
Engr. Taiwo G. Fawole	Member
Mr Oyekunle Osilaja	Member
Mr Adeniyi Falade	Member

Secretary

Folake Kalaro (Mrs)

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

For the year ended 31 December 2022

		The Group		The Company	
	Notes	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	5 (i)	5,896,957	825,404	3,870,963	540,563
Cost of sales	7 (i)	(4,289,233)	(685,126)	(3,030,515)	(604,918)
Gross profit/(loss)		**1,607,724**	**140,278**	**840,448**	**(64,355)**
Profit/(Loss) on disposal on investment properties	15	-	284,734	-	284,734
Selling and distribution expenses	7 (ii)	(76,131)	(46,420)	(69,535)	(39,705)
Administrative expenses	7 (iii)	(1,275,615)	(862,103)	(607,569)	(773,490)
Other income	6	298,053	310,762	390,596	98,608
Credit loss reversal/(expenses)	9	157,092	(724,999)	158,298	(7,289,208)
Share of loss from joint venture	16(ii)	(3,279)	(1,467)	(3,279)	(1,467)
Operating profit/(loss)		**707,844**	**(899,215)**	**708,959**	**(7,784,883)**
Finance income	8	86,367	45,654	77,611	44,929
Finance cost	8	(463,613)	(763,707)	(463,613)	(763,707)
Net finance cost		(377,246)	(718,053)	(386,002)	(718,778)
Profit/ (loss) before taxation		**330,598**	**(1,617,268)**	**322,957**	**(8,503,661)**
Taxation	10	(130,066)	(142,969)	(26,251)	(75,717)
Profit/(loss) from continuing operations		**200,532**	**(1,760,237)**	**296,706**	**(8,579,378)**
Discontinued operations					
Loss from discontinued operations	32	-	(116,286)	-	-
Profit/(loss) for the year		**200,532**	**(1,876,523)**	**296,706**	**(8,579,378)**
Other comprehensive income:					
Items not to be subsequently recycled to profit or loss:					
Fair value loss on financial assets	17	(193,450)	(140,084)	(193,450)	(140,084)
Tax on other comprehensive income		-	-	-	-
Total comprehensive profit/(loss) for the year		**7,082**	**(2,016,607)**	**103,256**	**(8,719,462)**
Profit/ (loss) attributable to:					
Equity holders of the parent		159,658	(1,927,578)	296,706	(8,579,378)
Non controlling interest		40,874	51,055	-	-
Total profit/(loss)		**200,532**	**(1,876,523)**	**296,706**	**(8,579,378)**
Total comprehensive profit/(loss) attributable to:					
Equity holders of the parent		(33,792)	(2,067,662)	103,256	(8,719,462)
Non controlling interests		40,874	51,055	-	-
Total comprehensive profit/(loss)		**7,082**	**(2,016,607)**	**103,256**	**(8,719,462)**
Earnings per share for profit/(loss) attributable to the equity holders of the group:					
Basic Profit/(Loss) Per Share (Kobo)					
From continuing operations	12	1	(9)	2	(46)
From discontinued operations	12	-	(1)	-	-
From profit/(loss) for the year		**1**	**(10)**	**2**	**(46)**
Diluted Profit/(Loss) Per Share (Kobo)					
From continuing operations	12	1	(9)	2	(46)
From discontinued operations	12	-	(1)	-	-
From profit/(loss) for the year		1	(10)	2	(46)

The accompanying notes and accounting policies on pages 48 to 114 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position

At 31 December 2022

		The Group			The Company		
	Notes	2022 N'000	Restated 2021 N'000	Restated 2020 N'000	2022 N'000	Restated 2021 N'000	Restated 2020 N'000
Assets							
Non-current assets							
Property, plant and equipment	13	8,390,160	49,928	31,474	28,744	31,402	7,142
Intangible assets	14	45,442	16,389	6,598	10,970	14,315	3,942
Investment properties	15	-	-	1,786,573	-	-	1,786,573
Investments in joint ventures	16 (ii)	125,647	128,926	130,393	124,843	128,122	129,589
Equity instrument at fair value	17	400,240	593,690	733,774	400,240	593,690	733,774
Investments in subsidiaries	18	-	-	-	1,719,716	1,719,716	108,019
		8,961,489	**788,933**	**2,688,812**	**2,284,513**	**2,487,245**	**2,769,039**
Current assets							
Inventories	19	5,265,759	6,084,508	4,270,906	3,927,220	4,468,168	4,270,906
Trade and other receivables	20	1,911,918	2,659,415	4,148,026	1,981,131	2,582,801	10,499,895
Current tax assets	10 (i)	127,762	96,908	96,908	127,762	96,908	96,908
Cash at bank and in hand	21	3,161,475	1,878,320	2,947,335	2,532,109	1,329,891	2,650,272
		10,466,914	**10,719,151**	**11,463,175**	**8,568,222**	**8,477,768**	**17,517,981**
Assets of disposal group classified as held for sale/distribution to owners	32	-	8,086,682	8,140,686	-	-	-
Total assets		**19,428,403**	**19,594,766**	**22,292,673**	**10,852,735**	**10,965,013**	**20,287,020**
Equity							
Share capital	27	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	27 (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		(166,767)	26,683	166,767	(166,767)	26,683	166,767
Other reserves		-	391,420	-	-	391,420	-
Retained earnings	27 (ii)	(9,731,569)	(10,578,019)	(8,650,442)	(17,442,318)	(17,739,024)	(9,159,646)
Equity attributable to equity holders of the Company		8,353,200	8,091,620	9,767,861	642,451	930,615	9,258,657
Non- controlling interest		43,436	2,562	(48,493)	-	-	-
Total equity		**8,396,636**	**8,094,182**	**9,719,368**	**642,451**	**930,615**	**9,258,657**
Liabilities							
Non-current liabilities							
Interest bearing Loans and Borrowings	22	4,702,096	5,511,653	4,270,880	4,702,096	5,511,653	4,270,880
Deferred taxation liabilities	26	73,016	79,357	72,537	72,537	72,537	72,537
Deferred revenue	25	-	-	2,145	-	-	2,145
		4,775,112	**5,591,010**	**4,345,562**	**4,774,633**	**5,584,190**	**4,345,562**
Current liabilities							
Trade and other payables	23	6,041,882	4,484,103	5,902,527	5,327,596	4,273,066	5,306,108
Current income tax liabilities	10	144,048	138,964	119,688	37,330	78,532	117,785
Interest bearing Loans and Borrowings	22	70,725	-	1,151,620	70,725	-	1,151,620
Deferred revenue	25	-	98,610	107,288	-	98,610	107,288
		6,256,655	**4,721,677**	**7,281,123**	**5,435,651**	**4,450,208**	**6,682,801**
Liabilities of disposal group classified as held for sale/distribution to owners	32	-	1,187,897	946,620			
Total liabilities		**11,031,767**	**11,500,584**	**12,573,305**	**10,210,284**	**10,034,398**	**11,028,363**
Total equity and liabilities		**19,428,403**	**19,594,766**	**22,292,673**	**10,852,735**	**10,965,013**	**20,287,020**

The financial statements were approved by the board of directors on 14 March 2023 and signed on its behalf by:

Wole Oshin
Chairman
FRC/2013/CIIN/00000003054

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

Gbenga Fagbami
Financial Controller
FRC/2018/ICAN/00000018050

The accompanying notes and accounting policies on pages 48 to 114 form an integral part of these consolidated and separate financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

	Notes	The Group 2022 N'000	The Group Restated 2021 N'000	The Company 2022 N'000	The Company Restated 2021 N'000
Profit/ (loss) before tax		**330,598**	**(1,617,268)**	**322,957**	**(8,503,661)**
Adjustment for non cash items:					
Depreciation	13	38,145	15,300	9,961	8,971
Amortization of intangible asset	14	5,586	3,622	3,346	3,038
Gain on disposal of investment properties (net of expense)	15	-	(284,734)	-	(284,734)
Share of loss from investment in joint venture	16	3,279	1,467	3,279	1,467
Profit from disposal of scraps	6	-	(3,954)	-	(3,954)
Investment income	6	(57,271)	(50,430)	(57,271)	(50,430)
Finance cost	8	463,613	675,522	463,613	675,522
Loss from discontinued operations	32	-	(116,286)		
Write back of impairment on asset of disposal group held for sale	32	686,792	-	-	-
Profit on disposal of property, plant and equipment	6	-	(12,595)	-	(12,595)
Finance income	8	(86,367)	(45,654)	(77,611)	(44,929)
Assets of disposal group classified as held for sale		(1,343,814)	295,281	-	-
Exchange (gain)/loss	6&7	(494)	56,844	(494)	56,844
Withholding tax utilized for tax	10	(2,310)	-	(2,310)	-
		37,757	**(1,082,886)**	**665,469**	**(8,154,461)**
Changes in working capital:					
Decrease/(increase) in inventories	19	818,749	(1,144,587)	540,948	471,753
Decrease in trade and other receivables	10(i)&20	716,641	1,488,611	570,814	7,917,094
Increase/(decrease) in trade and other payables	23	1,557,779	(1,418,424)	1,054,529	(1,033,042)
Decrease in deferred revenue	25	(98,610)	(10,823)	(98,610)	(10,823)
Cash flow generated from/(used in) operating activities		**3,032,317**	**(2,168,108)**	**2,733,151**	**(809,479)**
Tax paid	10	(129,013)	(116,873)	(65,143)	(114,970)
Net Cash inflow from/(used in) operating activities		**2,903,303**	**(2,284,981)**	**2,668,008**	**(924,449)**
Cash flow from investing activities					
Proceeds from sale of investment property	15	-	1,402,292	-	1,402,292
Purchase of property, plant & equipment	13	(149,451)	(34,734)	(7,302)	(33,844)
Purchase of intangible asset	14	(33,039)	(13,412)	-	(13,412)
Proceeds from sale of property, plant and equipment		12,075	13,207	-	13,207
Proceeds from disposal of scraps		-	4,322	-	3,957
Dividend received	6	57,271	50,430	57,271	50,430
Investment in subsidiary	18	-	-	-	(1,611,697)
Interest received	8	86,367	45,654	77,611	44,929
Net cash flow (used in)/generated from investing activities		**(26,776)**	**1,467,759**	**127,581**	**(144,139)**
Cash flow from financing activities					
Proceeds from borrowings	22	-	5,903,073	-	5,903,073
Repayment of borrowings	22	(1,143,421)	(5,422,500)	(1,143,421)	(5,422,500)
Interest paid	22	(450,445)	(675,522)	(450,445)	(675,522)
Net cash flow used in financing activities		**(1,593,866)**	**(194,949)**	**(1,593,866)**	**(194,949)**
Net increase/(decrease) in cash and cash equivalents		1,282,661	(1,012,171)	1,201,723	(1,263,537)
Net foreign exchange difference	6&7	494	(56,844)	494	(56,844)
Cash and cash equivalents at the beginning of the period	21	1,878,320	2,947,335	1,329,891	2,650,272
Cash and cash equivalents at the end of the period	**21**	**3,161,475**	**1,878,320**	**2,532,109**	**1,329,891**

The accompanying notes and accounting policies on pages 48 to 114 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity

For the year ended 31 December 2022

	The Group							
	Attributable to owners of the Company							
	Share Capital N'000	Share Premium N'000	Retained earnings 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 2022	9,279,985	8,971,551	(10,578,019)	391,420	26,683	8,091,620	2,562	8,094,182
Profit for the period	-	-	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)
Write back of impairment on asset of disposal group held for sale - Note 32	-	-	686,792	-	-	686,792	-	686,792
Release of gain on revaluation of shareholder loan	-	-	-	(391,420)	-	(391,420)	-	(391,420)
Balance at 31 December 2022	**9,279,985**	**8,971,551**	**(9,731,569)**	**-**	**(166,767)**	**8,353,200**	**43,436**	**8,396,636**
Balance at 1 January 2021 restated	9,279,985	8,971,551	(8,650,442)	-	166,767	9,767,861	(48,493)	9,719,368
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 (restated)	**9,279,985**	**8,971,551**	**(10,578,019)**	**391,420**	**26,683**	**8,091,620**	**2,562**	**8,094,182**
Balance at 1 January 2020 as earlier stated	1,299,198	6,065,397	(5,014,475)	-	-	2,350,120	(178,288)	2,171,832
Provisions write back (see note 31)	-	-	76,955	-	-	76,955	-	76,955
Balance at 1 January 2020 restated see note 31	1,299,198	6,065,397	(4,937,520)	-	-	2,427,075	(178,288)	2,248,787
Loss for the year restated (see note 31)	-	-	(617,068)	-	-	(617,068)	11,776	(605,292)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	166,767	166,767	-	166,767
Gain on disposal of investment in subsidiary	-	-	469,481	-	-	469,481	-	469,481
Statute barred dividend	-	-	71,869	-	-	71,869	-	71,869
Acquisition of subsidiary	-	-	-	-	-	-	118,019	118,019
Right Issue	7,980,787	7,604,210	-	-	-	15,584,997	-	15,584,997
Unbundling of UPDC REIT units	-	(4,698,056)	(3,637,204)	-	-	(8,335,260)	-	(8,335,260)
Balance at 31 December 2020 (restated)	**9,279,985**	**8,971,551**	**(8,650,442)**	**-**	**166,767**	**9,767,861**	**(48,493)**	**9,719,368**

The accompanying notes and accounting policies on pages 48 to 114 form an integral part of these consolidated and separate financial statements.

	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 2022	9,279,985	8,971,551	(17,739,024)	391,420	26,683	930,615
Profit for the period	-	-	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	**9,279,985**	**8,971,551**	**(17,442,318)**	**-**	**(166,767)**	**642,451**
Balance at 1 January 2021 restated	9,279,985	8,971,551	(9,159,646)	-	166,767	9,258,657
Loss for the period	-	-	(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 (restated)	**9,279,985**	**8,971,551**	**(17,739,024)**	**391,420**	**26,683**	**930,615**
Balance at 1 January 2020 as earlier stated	1,299,198	6,065,397	(5,082,059)	-	-	2,282,536
Provisions write back (see note 31)	-	-	76,955	-	-	76,955
Balance at 1 January 2020 restated see note 31	1,299,198	6,065,397	(5,005,104)	-	-	2,359,491
Loss for the year restated see note 31	-	-	(1,058,687)	-	-	(1,058,687)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	166,767	166,767
Gain on disposal of investment in subsidiary	-	-	469,481	-	-	469,481
Statute barred dividend			71,869	-	-	71,869
Right Issue	7,980,787	7,604,210	-	-	-	15,584,997
Unbundling of UPDC REIT units	-	(4,698,056)	(3,637,205)	-	-	(8,335,261)
Balance at 31 December 2020 (restated)	**9,279,985**	**8,971,551**	**(9,159,646)**	**-**	**166,767**	**9,258,657**

*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.

The accompanying notes and accounting policies on pages 48 to 114 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 2022, the Group and the Company's internal control is effective. We will continue to work on further strengthening this position.

2. Summary of significant accounting policies

The principal 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 International Financial Reporting Standards (IFRS) 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 Act No 6, 2011 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 investment properties and equity instruments at fair value through other comprehensive income, which are measured at fair value.

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 2022. The Group and the Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

Effective for annual periods beginning on or after 1 January 2022.

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments to IFRS 16 is not expected to have a significant impact on the consolidated and separate financial statements.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. Effective for annual periods beginning on or after 1 January 2022.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are "directly related to contract activities", but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant.

The amendments to IAS 37 is not expected to have a significant impact on the consolidated and separate financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards: Subsidiary as a first-time adopter.
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Group and of the Company.

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. An entity applies the amendment for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. These amendments had no impact on the financial statements of the Group and Company.

IAS 41 Agriculture: Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41, that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted. This amendment had no impact on the financial statements of the Group and Company.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. Effective for annual periods beginning on or after 1 January 2022.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

The amendments to IAS 1 is not expected to have a significant impact on the consolidated and separate financial statements.

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

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments to IFRS 10 and IAS 28 is not expected to have a significant impact on the consolidated and separate financial statements.

2.1.3 Standards issued but not yet effective

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group and Company.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. Effective for annual periods beginning on or after 1 January 2022.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments to IFRS 3 is not expected to have a significant impact on the consolidated and separate financial statements of UPDC Plc.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Classification of Liabilities as Current or Non-current: Amendments to IAS 1

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.

- That the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole; and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

In July 2021, the Board tentatively decided to defer the effective date of the 2020 amendments to no earlier than 1 January 2024.

The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

Transition

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments to IAS 12 are applicable for annual periods beginning on or after 1 January 2023. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group.

Except where otherwise stated, the Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

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 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 Companys 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 Company's share of losses in an associate equals 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 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 equals 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 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.

1(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 reassesed 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 recognised 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 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 market place (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 the 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 the 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 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.

Derecognition

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 the 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 the 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 investments 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 the Company's financial liabilities include trade and other payables.

Subsequent measurement

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

2.11 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.

Derecognition

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

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

2.12 Financial guarantee contracts

Financial guarantee 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 guarantee contracts is usually expensed and reported in the Statement of Profit or Loss where no asset is recoverable in the course.

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

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 includes 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 mployees also contribute a minimum of 8% of his/her emolumets (i.e. basic, housing and transport allowances). The Company's contributions are recognised as employee benefit expenses when they are due. The Group and the 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 the 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 the 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 the 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 the 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 the 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 the 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 the 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 the 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 the 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 the 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 the 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 the Company has no right of use asset at the end of the year.

Short-term leases

The Group and the Company apply 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 material exposures to recognised assets and liabilities as the Group and Company has no investments in foreign operations.

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

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

	2021		
	USD 000	GBP 000	Euro 000
Financial assets			
Cash at bank and in hand	21	-	5
	21	**-**	**5**

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

	2021		
	USD 000	GBP 000	Euro 000
Financial assets			
Cash at bank and in hand	21	-	5
	21	**-**	**5**

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
The total impact on profit and equity if Naira were to increase/ decrease by 2% across currencies would be as follows	224	230	224	230

In 2022 and 2021, 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 instrument 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 2022	Effect on equity N'000	N'000 5%
UPDC REIT	(5%)	20,012	(20,012)

(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 is exposed to interest rate risk as the Group invest in financial instruments at both fixed and floating rate. The risk is managed by the Group by maintaining its' investment on short term tenored investment, hence the Group has no significant concentration of interest rate risk.

(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 the Company are exposed to credit risk from its operating activities primarily trade receivables and deposits with banks and other financial institutions. The Group and the 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 the 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 the 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 the 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 the Company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Impairment losses

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, 21 and 28. The Group and the Company do not hold collateral as security.

For trade receivables, finance lease receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Other receivable impairment if any:

The directors of the Company always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience, the nature of the customer and where relevant, the sector in which they operate. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under construction contracts.

Set out below is the information about the credit risk exposure on the Group and Company's trade receivables as at 31 December 2022 and 2021 using a provision matrix:

	The Group					
	Trade Receivables					
	Date Past Due					
31 December 2022	1-3 months N'000	4-6 months N'000	7-9 months N'000	10-12 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	960,269
Expected credit loss	**5,817**	**5,917**	**30,318**	**62,917**	**755,025**	**859,994**

	Trade Receivables					
	Date Past Due					
31 December 2021	1-3 months N'000	4-6 months 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%	11%	-	100%	
Estimated total gross carrying amount at default	-	-	51,284	-	738,722	790,006
Expected credit loss	**-**	**-**	**5,542**	**-**	**738,722**	**744,264**

31 December 2022	The Company Trade Receivables Date Past Due 1-3 months N'000	4-6 months N'000	7-9 months N'000	10-12 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**

31 December 2021	Trade Receivables Date Past Due 1-3 months N'000	4-6 months N'000	7-9 months N'000	10-12 months N'000	Above 12 months N'000	Total N'000
Expected credit loss rate		58%		100%		
Estimated total gross carrying amount at default	-	9,529	-	736,581	746,110	
Expected credit loss	**-**	**-**	**5,542**	**-**	**736,581**	**742,123**

Set out below is the movement in the allowance for expected credit losses of trade receivables:	The Group 2022 N'000	The Group 2021 N'000	The Company 2022 N'000	The Company 2021 N'000
Balance as at 1 January	744,264	746,824	742,123	746,824
Write off during the year	-	(33,400)	-	(33,400)
Provision for expected credit losses	117,232	30,840	67,434	28,699
Balance at 31 December	**861,496**	**744,264**	**809,557**	**742,123**

Loss rates are calculated using a 'roll rate' method based on the probablity 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 the Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables and short-term deposits. The Group and the 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 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 and or credit impaired, 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).

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 the Company consider a financial asset in default when contractual payments are 3 months 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.

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 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	1,723,655	1,723,664
Base (81%)	260	2,581,892	2,582,152	73	13,961,609	13,961,682
Downside (9%)	29	286,877	286,906	8	1,551,290	1,551,298
Total	**321**	**3,187,521**	**3,187,842**	**90**	**17,236,555**	**17,236,645**

	The Group			The Company		
31 December 2021	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%)	3	374,302	374,305	3	1,779,949	1,779,952
Base (81%)	26	2,994,412	2,994,438	26	14,239,593	14,239,619
Downside (9%)	3	374,302	374,305	3	1,779,949	1,779,952
Total	**32**	**3,743,016**	**3,743,048**	**32**	**17,799,491**	**17,799,523**

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 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at								
1 January 2022	834,181	-	-	834,181	664,777	-	-	664,777
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)	(664,777)	-	-	(664,777)
At 31 December 2022	**1,755,617**	**-**	**-**	**1,755,617**	**1,755,617**	**-**	**-**	**1,755,617**

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total 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**

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
1 January 2021	2,087,814	-	-	2,087,814	2,087,815	-	-	2,087,815
New asset purchased	834,181	-	-	834,181	664,777	-	-	664,777
Asset derecognised or repaid (excluding write offs)	(2,087,814)	-	-	(2,087,814)	(2,087,815)	-	-	(2,087,815)
At 31 December 2021	**834,181**	**-**	**-**	**834,181**	**664,777**	**-**	**-**	**664,777**

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2021	2,405	-	-	2,405	2,405	-	-	2,405
New asset purchased	32	-	-	32	32	-	-	32
Asset derecognised or repaid (excluding write offs)	(2,405)	-	-	(2,405)	(2,405)	-	-	(2,405)
At 31 December 2021	**32**	**-**	**-**	**32**	**32**	**-**	**-**	**32**

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 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total 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**	**18,725,102**	**-**	**-**	**18,725,102**

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2022	3,743,016	-	-	3,743,016	17,799,491	-	-	17,799,491
Charge for the year	(555,495)	-	-	(555,495)	(562,936)	-	-	(562,936)
At 31 December 2022	**3,187,521**	**-**	**-**	**3,187,521**	**17,236,555**	**-**	**-**	**17,236,555**
Net Intercompany receivables as at 31 December 2022 - Note 28				**1,157,733**				**1,488,548**

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
1 January 2021	6,037,667	-	-	6,037,667	20,162,724	-	-	20,162,724
Changes in receivables	(202,532)	-	-	(202,532)	(239,643)	-	-	(239,643)
At 31 December 2021	**5,835,135**	**-**	**-**	**5,835,135**	**19,923,081**	**-**	**-**	**19,923,081**

	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
(Unused amount reversed)/ Charge for the year	353,810	-	-	353,810	6,920,161	-	-	6,920,161
At 31 December 2021	**3,743,016**	**-**	**-**	**3,743,016**	**17,799,491**	**-**	**-**	**17,799,491**
Net Intercompany receivables as at 31 December 2021 - Note 28				**2,092,119**				**2,123,590**

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 the Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Group and the 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 the Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. The Group and the Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group and the 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 mis-match 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 the Company also ensures that at all times it does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

At 31 December 2022	Less than 1 year N'000	Between 1 and 2 year N'000	Over 2 years N'000	Contractual amount N'000	Carrying value 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
Non-financial liabilities	3,828,735	-	-	3,828,735	3,828,735
	6,112,607	**-**	**4,702,096**	**10,814,703**	**10,814,703**

The Group

At 31 December 2021	Less than 1 year N'000	Between 1 and 2 year N'000	Over 2 years N'000	Contractual amount N'000	Carrying value N'000
Interest bearing loans and borrowings	526,097	-	7,058,803	7,584,900	5,511,653
Trade and other payables	1,266,607	-	-	1,266,607	1,266,607
Non-financial liabilities	3,217,496	-	-	3,217,496	3,217,496
	5,010,200	**-**	**7,058,803**	**12,069,003**	**9,995,757**

The Company

At 31 December 2022	Less than 1 year N'000	Between 1 and 2 year N'000	Over 2 years N'000	Contractual amount N'000	Carrying value 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
Non-financial liabilities	3,247,379			3,247,379	6,494,758
	5,398,320	**-**	**4,702,096**	**10,100,416**	**13,347,795**

The Group

At 31 December 2021	Less than 1 year N'000	Between 1 and 2 year N'000	Over 2 years N'000	Contractual amount N'000	Carrying value N'000
Interest bearing loans and borrowings	526,097	-	7,058,803	7,584,900	5,511,653
Trade and other payables	1,443,575	-	-	1,443,575	1,443,575
Non-financial liabilities	2,829,491	-	-	2,829,491	5,658,982
	4,799,162	**-**	**7,058,803**	**11,857,966**	**12,614,210**

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 unclaimed dividends.

3.2 Capital risk management

Capital includes share capital, share premium and other reserves attributable to equity holders.

The Group and the Companys 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 the 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 posistion including non controlling interest.

No formal debt equity target has been established.

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Interest bearing debt	4,772,821	5,511,653	4,772,821	5,511,653
Trade and other payables	6,041,882	4,484,103	5,327,595	4,273,066
Total debt	**10,814,704**	**9,995,756**	**10,100,416**	**9,784,719**
Total capital	8,353,200	8,091,620	642,451	930,615
Capital and net debt	**19,167,904**	**18,087,376**	**10,742,867**	**10,715,334**
Gearing ratio	**56%**	**55%**	**94%**	**91%**

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).

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 2022	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000
Assets measured at fair value								
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	1,488,548	-	-	1,488,548
Cash at bank and in hand	3,161,475	-	-	3,161,475	1,612,742	-	-	1,612,742
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	1,124,501	-	-	1,124,501	1,612,742	-	-	1,612,742

	The Group				The Company			
31 December 2021	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000
Assets measured at fair value								
Equity instrument at fair value through OCI	593,690	593,690	-	-	593,690	593,690	-	-
Trade receivables	45,742	-	-	45,742	3,987	-	-	3,987
Receivables from group companies	2,092,119	-	-	2,092,119	2,123,590	-	-	2,123,590
Cash at bank and in hand	1,878,320	-	-	1,878,320	1,329,891	-	-	1,329,891
Liabilities for which fair values are disclosed:								
Interest-bearing loans and borrowings	5,079,540	-	-	5,079,540	5,079,540	-	-	5,079,540
Trade Payables and other payables	726,359	-	-	726,359	911,549	-	-	911,549

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

3.3 Fair value estimation

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

	The Group				
	2022		2021		2020
	Carrying Value N'000	Fair Value N'000	Carrying Value N'000	Fair Value N'000	Fair Value N'000
Assets					
Equity instrument at fair value through OCI	400,240	400,240	593,690	593,690	733,774
Trade receivables	98,773	98,773	45,742	45,742	272,769
Receivables from group companies	1,157,733	1,157,733	2,092,119	2,092,119	2,648,461
Cash at bank and in hand	3,161,475	3,161,475	1,878,320	1,878,320	2,947,335
Liabilities					
Interest bearing loans and borrowings	4,772,821	4,772,821	5,511,653	5,079,540	5,422,500
Trade Payables and other payables	1,124,501	1,124,501	726,359	726,359	1,560,332

	The Company				
	2022		2021		2020
	Carrying Value N'000	Fair Value N'000	Carrying Value N'000	Fair Value N'000	Fair Value N'000
Assets					
Equity instrument at fair value through OCI	400,240	400,240	593,690	593,690	733,774
Trade receivables	37,264	37,264	3,987	3,987	14,810
Receivables from group companies	1,488,548	1,488,548	2,123,590	2,123,590	9,283,394
Cash at bank and in hand	2,532,109	2,532,109	1,329,891	1,329,891	2,650,272
Liabilities					
Interest bearing loans and borrowings	4,772,821	4,772,821	5,511,653	5,079,540	5,422,500
Trade and other payables	1,612,742	1,612,742	911,549	911,549	1,013,490

Trade receivables is fair valued at net of impairment. Other receivables are made up of receivables to related parties which fairly approximate 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.

3.4 Financial instruments by category

	The Group	
At amortised cost	2022 N'000	2021 N'000
Financial assets		
Equity instrument at fair value through OCI		
Trade and other receivables	1,256,506	2,137,861
Cash at bank and in hand	3,161,475	1,878,320
Financial liabilities		
Interest bearing Loans and Borrowings	4,772,821	5,511,653
Trade and other payables	1,124,501	726,359

	The Company	
At amortised cost	2022 N'000	2021 N'000
Financial assets		
Equity instrument at fair value through OCI		
Trade and other receivables	1,525,812	2,127,577
Cash at bank and in hand	2,532,109	1,329,891
Financial liabilities		
Interest bearing Loans and Borrowings	4,772,821	5,511,653
Trade and other payables	1,612,742	911,549

4. Significant accounting judgements, estimates and assumptions

4.1 Significant 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 Significant 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 provide 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 sell 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 have 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

4.2 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(v) and Note 20.

Impairment losses on intercompany receivables and short term deposits

The measurement of impairment losses under IFRS 9 requires that 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 an 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.

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 2022, 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 2022	Property Development Sales & Management N'000	Hospitality Services N'000	Classified as Discontinued Operation/ Held for Sale N'000	Total 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 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

31 December 2021	Property Development Sales & Management N'000	Hospitality Services N'000	Classified as Discontinued Operation/ Held for Sale N'000	Total N'000
Total Revenue	825,404	235,844	(235,844)	825,404
Intergroup revenue	-	-	-	-
Revenue to third parties	**825,404**	**235,844**	**(235,844)**	**825,404**
Loss before interest and tax	(899,215)	(116,286)	116,286	(899,215)
Loss before tax	(1,617,268)	(116,286)	116,286	(1,617,268)
Net current assets	5,997,473	(1,020,592)	1,020,592	5,997,473
Property, plant and equipment	49,928	11,943,485	(11,943,485)	49,928

	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**
Profit before interest and tax	708,959	708,959
Profit before tax	322,957	322,957
Net current assets	3,132,573	3,132,573
Property, plant and equipment	28,744	28,744

	The Company	
31 December 2021	Property development sales & management N'000	Total N'000
Total revenue	540,563	540,563
Intergroup revenue	-	-
Revenue from third parties	**540,563**	**540,563**
Loss before interest and tax	(7,784,883)	(7,784,883)
Loss before tax	(8,503,661)	(8,503,661)
Net current assets	4,027,560	4,027,560
Property, plant and equipment	31,402	31,402

Entity wide information

	The Group		The Company	
Analysis of revenue by category:	2022 N'000	2021 N'000	2022 N'000	2021 N'000
UPDC Sale of Property Stock	3,603,350	404,382	3,603,350	404,382
Share of James Pinnock Sale of Property Stock	-	58,140	-	58,140
Rental income	-	12,753	-	12,753
Project/ Asset Management Fee	267,613	65,288	267,613	65,288
UPDC Hotel Ltd. Revenue	239,481	-	-	-
Deep Horizon Inv. Ltd Sale of Property Stock	1,486,990	-	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	299,524	284,841	-	-
Group	**5,896,957**	**825,404**	**3,870,963**	**540,563**
Analysis of revenue by geographical location:				
Nigeria	5,896,957	825,404	3,870,963	540,563

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:

	For the year ended 31 December 2022			
The Group	Property Development Sales & Management N'000	Hospitality Services N'000	Classified as Discontinued Operation/ Held for Sale N'000	Total N'000
Type of goods or service				
Sale of Property Stock	3,603,350	-	-	3,603,350
Share of James Pinnock Sale of Property Stock	-	-	-	-
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**
Geographical markets				
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**

The Group	Property Development Sales & Management N'000	Hospitality Services N'000	Classified as Discontinued Operation/ Held for Sale N'000	Total N'000
	For the year ended 31 December 2021			
Type of goods or service				
Sale of Property Stock	404,382	-	-	404,382
Share of James Pinnock Sale of Property Stock	58,140	-	-	58,140
Project/ Asset Management Fee	65,288	-	-	65,288
UPDC Hotel Ltd. Revenue	-	235,844	(235,844)	-
Deep Horizon Inv. Ltd Sale of Property Stock	-	-	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	284,841	-	-	284,841
Revenue from contracts with customers	**812,651**	**235,844**	**(235,844)**	**812,651**
Rental income	12,753	-	-	12,753
Total revenue	**825,404**	**235,844**	**(235,844)**	**825,404**
Geographical markets				
Within Nigeria	812,651	235,844	(235,844)	812,651
Outside Nigeria	-	-	-	-
Total revenue from contracts with customers	**812,651**	**235,844**	**(235,844)**	**812,651**
Rental income	12,753	-	-	12,753
Total revenue	**825,405**	**235,844**	**(235,844)**	**825,404**
Timing of revenue recognition				
Goods transferred at a point in time	462,522	-	-	462,522
Services transferred over time	350,129	235,844	(235,844)	350,129
Total revenue from contracts with customers	**812,651**	**235,844**	**(235,844)**	**812,651**
Rental income	12,753	-	-	12,753
Total revenue	**825,405**	**235,844**	**(235,844)**	**825,404**

The Company	Property Development Sales & Management N'000	Hospitality Services N'000	Classified as Discontinued Operation/ Held for Sale N'000	Total N'000
	For the year ended 31 December 2022			
Type of goods or service				
Sale of Property Stock	3,603,350	-	-	3,603,350
Share of James Pinnock Sale of Property Stock	-	-	-	-
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**
Geographical markets				
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**

The Company	Property Development Sales & Management N'000	Hospitality Services N'000	Classified as Discontinued Operation/ Held for Sale N'000	Total N'000
Type of goods or service				
Sale of Property Stock	404,382	-	-	404,382
Share of James Pinnock Sale of Property Stock	58,140	-	-	58,140
Project/ Asset Management Fee	65,288	-	-	65,288
UPDC Hotel Ltd. Revenue	-	-	-	-
Deep Horizon Inv. Ltd Sale of Property Stock	-	-	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	-	-	-	-
Revenue from contracts with customers	**527,810**	**-**	**-**	**527,810**
Rental income	12,753	-	-	12,753
Total revenue	**540,563**	**-**	**-**	**540,563**
Geographical markets				
Within Nigeria	527,810	-	-	527,810
Outside Nigeria	-	-	-	-
Total revenue from contracts with customers	**527,810**	**-**	**-**	**527,810**
Rental income	12,753	-	-	12,753
Total revenue	**540,563**	**-**	**-**	**540,563**
Timing of revenue recognition				
Goods transferred at a point in time	462,522	-	-	462,522
Services transferred over time	65,288	-	-	65,288
Total revenue from contracts with customers	**527,810**	**-**	**-**	**527,810**
Rental income	12,753	-	-	12,753
Total revenue	**540,563**	**-**	**-**	**540,563**

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 the remaining performance obligations that have original expected durations of one year or less.

	The Group		The Company	
Contract balances	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Trade receivables - Note 20	98,773	45,742	37,264	3,987
Contract liabilities - Note 24	2,538,829	2,168,341	2,469,929	1,798,341

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

In 2022, N861million (Company: N810million) was recognised as provision for expected credit losses on trade receivables (2021:N744 million for Group and N742 million for Company).

Contract 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 15.119(c)
IFRS 15.119(d)

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

6. Other income

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Investment income*	57,271	50,430	57,271	50,430
Legal, Transfer and title regularisation fees	47,275	23,614	47,275	23,614
Premium fee on rent to own scheme	64,286	-	64,286	-
Project supervision services to Deep Horizon Inv. Ltd.	-	-	179,271	-
Gain on disposal of PPE	-	12,595	-	12,595
Exchange gain	494	-	494	-
Recovery on facility management	86,728	68,761	-	-
Parking space lease	4,434	-	4,434	-
Disposal of scraps	9,302	3,954	9,302	3,954
Net liabilities of Manor Gardens assets and liabilities written off	-	143,394	-	
Others**	28,263	8,014	28,263	8,014
Total other income	**298,053**	**310,762**	**390,596**	**98,608**

* Investment income in 2022 represents dividend received on investment in UPDC REIT as well as the last distribution from the defunct UNICO CPFA Ltd while that of 2021 represents dividend from UPDC REIT alone.

**Others include Statute barred dividend refund, part utilization of WHT credit note from UPDC REIT and administrative fees on revoked sales.

7. Expenses by nature

7.(i) Cost of sales

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Change in inventories of finished goods & other direct costs of inventories	3,998,471	475,270	2,869,948	475,270
Write-down of inventories	-	18,783	-	18,783
Property Maintenance expenses	-	30,162	-	30,162
Personnel expenses (Note 7b)	147,623	143,006	45,953	62,799
Directors' emoluments (Note 7b)	16,738	-	16,738	-
Agency Fees	119,677	11,322	91,152	11,322
Others	6,725	6,583	6,725	6,583
	4,289,233	**685,126**	**3,030,515**	**604,918**

7.(ii) Selling and distribution expenses

Personnel expenses (Note 7b)	27,250	24,742	27,250	24,742
Marketing, advertising & communication	48,881	21,678	42,285	14,963
	76,131	**46,420**	**69,535**	**39,705**

7.(iii) Administrative expenses

Property Maintenance expenses	36,012	92,470	36,012	92,470
Personnel expenses (Note 7b)	275,934	210,854	165,569	152,572
Depreciation of Property, Plant & Equipment	192,586	15,300	9,961	8,971
Amortization of intangible asset (Note 14)	5,586	3,622	3,346	3,038
Unrealised exchange loss	-	56,844	-	56,844
Rent and rates	12,981	10,200	12,981	10,200
Vehicles repairs, maintenance & fueling	9,219	1,243	3,189	891
Other repairs & maintenance	63,842	28	3,138	28
Legal expenses	25,138	33,089	24,831	33,089
Auditors' remuneration*	19,775	24,929	16,125	20,425
Directors' emoluments (Note 7b)	101,489	94,485	101,489	94,485
Information Technology	53,296	42,921	50,246	38,792
Insurance	33,607	14,528	12,395	12,385
Professional fees	131,456	168,700	45,259	168,700
Printing and stationery	4,079	2,885	2,973	2,885
Energy Cost - UPDC Hotel Ltd.	95,101	-	-	-
Listing/ Regulatory fees	13,567	7,365	6,345	7,365
Shortfall compensation	58,950	-	58,950	-
Security, waste disposal & service charge	21,922	-	-	-
Others	121,615	82,639	54,761	70,349
	1,275,615	**862,103**	**607,569**	**773,490**

* Auditors' remuneration relates to audit fees incurred for the provision of only statutory audit services to the Group.

7b. Personnel expenses

Particulars of directors and staff

	The Group		The Company	
Personnel expenses include:	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Wages and salaries:				
Cost of sales	147,623	143,006	45,953	62,799
Selling and distribution expenses	27,250	24,742	27,250	24,742
Administrative expenses	275,934	210,854	165,569	152,572
	450,807	**378,603**	**238,771**	**240,114**

(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.

Key management personnel compensation:	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Short term benefit	151,246	142,725	125,475	128,495
Post employment benefits	7,417	9,555	5,994	8,132
	158,663	**152,280**	**131,468**	**136,627**
Directors' emoluments:				
Fees	6,800	800	6,800	800
Other emoluments	111,427	93,685	111,427	93,685
	118,227	**94,485**	**118,227**	**94,485**
Other staff personnel compensation:				
Short term benefit	279,705	219,081	102,530	102,459
Post employment benefits	12,439	7,205	4,773	1,028
	292,144	**226,286**	**107,303**	**103,487**
Total	**569,034**	**473,051**	**356,998**	**334,599**

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	
N		N	2022	2021	2022	2021
60,000	-	999,999	100	40	9	9
1,000,000	-	1,999,999	44	19	5	4
2,000,000	-	2,999,999	24	15	6	3
3,000,000	-	3,999,999	12	10	4	3
4,000,000	-	4,999,999	9	4	3	2
5,000,000	-	5,999,999	4	6	4	3
6,000,000		and above	17	12	11	9
			210	**106**	**42**	**33**

(ii) Emoluments of Directors

	Fees	6,800	800	6,800	800
	Other emoluments	111,427	93,685	111,427	93,685
		118,227	**94,485**	**118,227**	**94,485**
(iii)	The Chairman's emolument	1,700	300	1,700	300
(iv)	Emolument of the highest paid director.	71,354	47,177	71,354	47,177

(v) The fees attributable to the Chairman and non-executive directors, who are employees of the parent company (Custodian Investment Plc & UAC of Nigeria 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 Company		The Company	
N		N	2022 Number	2021 Number	2022 Number	2021 Number
1,000,001	-	9,000,000	4	4	4	4
9,000,001	-	14,000,000	0	0	0	0
14,000,001		and above	2	3	2	3
			6	**7**	**6**	**7**

8. Net Finance Income/(Cost)

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Finance Income	**86,367**	**45,654**	**77,611**	**44,929**
Interest on borrowings	(463,613)	(763,707)	(463,613)	(763,707)
Finance Costs	**(463,613)**	**(763,707)**	**(463,613)**	**(763,707)**
Net Finance Cost	**(377,246)**	**(718,053)**	**(386,002)**	**(718,778)**

Finance income relate to interest on short term deposits.
Finance cost relate to interest on borrowings.

9. Credit loss expense/(reversal)

Receivable in UPDC Metro City Ltd.	(113,763)	(4,892)	(113,763)	(4,892)
Impairment of receivable in UPDC Hotels Ltd.	-	-	-	6,566,351
Receivable in Manor Gardens Dev. Co. Ltd.	461	-	461	-
Receivable in First Restoration Dev. Co. Ltd.	(3,927)	3,927	(3,927)	3,927
Receivable in Pinnacle Apartment Development Ltd.	3,379	(5,362)	3,379	(5,362)
Receivable in Calabar Golf Estate Ltd.	(112,648)	368,286	(112,648)	368,286
Receivable in other related parties	707	(8,149)	707	(8,149)
Bad debt written off	-	342,721	-	342,721
Impairments of trade receivables and short term investment	68,699	28,467	67,493	26,325
	(157,092)	**724,999**	**(158,298)**	**7,289,208**

	The Group							
	2022				2021			
	Stage 1 Individual N'000	Stage 2 Individual N'000	Stage 3 Individual N'000	Total N'000	Stage 1 Individual N'000	Stage 2 Individual N'000	Stage 3 Individual N'000	Total N'000
Short term deposits	289		-	289	(2,373)		-	(2,373)
Related party receivables	(225,791)		-	(225,791)	353,811		-	353,811
Bad debt written off	-		-	-	-		342,721	342,721
Trade receivables	-		68,410	68,410	-		30,840	30,840
	(225,502)	**-**	**68,410**	**(157,092)**	**351,438**	**-**	**373,561**	**724,999**

	The Company							
	2022				2021			
	Stage 1 Individual N'000	Stage 2 Individual N'000	Stage 3 Individual N'000	Total N'000	Stage 1 Individual N'000	Stage 2 Individual N'000	Stage 3 Individual N'000	Total N'000
Short term deposits	58		-	58	(2,373)		-	(2,373)
Related party receivables	(225,791)		-	(225,791)	6,920,161		-	6,920,161
Bad debt written off	-		-	-	-		342,721	342,721
Trade receivables	-		67,435	67,435	-		28,698	28,699
	(225,733)	**-**	**67,435**	**(158,298)**	**6,917,788**	**-**	**371,419**	**7,289,208**

10. Taxation

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Current tax				
Minimum tax charge for the year	131,556	3,219	21,401	3,219
Current income tax	4,850	60,432	4,850	-
Capital Gain tax	-	72,498	-	72,498
Total current tax charge	**136,407**	**136,149**	**26,251**	**75,717**
Total deferred tax (note 26)	(6,341)	6,820	-	-
Total deferred tax (note 26)	**(6,341)**	**6,820**	**-**	**-**
Income tax charge	**130,066**	**142,969**	**26,251**	**75,717**

Nigeria corporation tax is calculated at 30% (2021: 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	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Profit/(loss) before taxation	**330,598**	**(1,617,268)**	**322,957**	**(8,503,661)**
Tax at the Nigeria corporation tax rate of 30% (2021: 30%)	99,179	(485,180)	96,887	(2,551,098)
Education tax	4,834	-	4,834	-
Capital gains tax	-	72,498	-	72,498
Effect of income that is exempt from taxation	-	-	-	-
Effect of expenses that are not deductible in determining taxable profit	4,651	552,432	(96,871)	2,551,098
Minimum tax adjustments (Excluding PTF)	21,401	3,219	21,401	3,219
Tax for the year	**130,066**	**142,969**	**26,251**	**75,717**
Per statement of financial position				
At 1 January	138,964	119,688	78,532	117,785
Charge for the year	136,407	136,149	26,251	75,717
Payments during the year	(129,013)	(116,873)	(65,143)	(114,970)
Withholding tax utilized	(2,310)	-	(2,310)	-
At 31 December	**144,048**	**138,964**	**37,330**	**78,532**

10 (i) Current tax assets

Unutilised withholding tax credit notes as at January 1	96,908	96,908	96,908	96,908
Additional during the year	30,854	-	30,854	-
Unutilised withholding tax credit notes as at December 31	**127,762**	**96,908**	**127,762**	**96,908**

These relate to WHT credit notes yet to be utilized. The notes will be utilized against future income tax liabilities when filing tax returns to the FIRS.

11. Dividends

No dividend was declared or paid for the year ended 31 December 2022 (2021:Nil)

12. Earnings/(loss) Per Share

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) 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		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Loss after tax for the year from discontinued operations	-	(116,286)	-	-
Profit/(loss) attributable to ordinary equity shareholders (NGN'000)	200,532	(1,760,237)	296,706	(8,579,378)
Profit/(loss) for the period	**200,532**	**(1,876,523)**	**296,706**	**(8,579,378)**
Basic earnings/(loss) per share (Kobo)	**1**	**(10)**	**2**	**(46)**
From discontinued operations	-	(1)	-	-
From continuing operations	1	(9)	2	(46)
Diluted earnings/(loss) per share (Kobo)	**1**	**(10)**	**2**	**(46)**
From discontinued operations	-	(1)	-	-
From continuing operations	1	(9)	2	(46)

	Number ('000)	Number ('000)	Number ('000)	Number ('000)
Basic weighted average and Diluted weighted average number of shares	18,559,970	18,559,970	18,559,970	18,559,970
Absolute number of shares (Note 27)	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	Land & Building N'000	Motor vehicles N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
Cost						
At 1 January 2021	-	92,220	29,773	47,116	63,357	232,466
Addition	-	24,725	-	95	9,914	34,734
Write-off/Scrapped	-	(469)	(5,621)	(368)	-	(6,458)
Disposals	-	(53,964)	(11,416)	-	(1,172)	(66,551)
At 31 December 2021	**-**	**62,512**	**12,737**	**46,843**	**72,099**	**194,190**
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 - Note 32	8,118,332	6,623	77,663	32,861	5,521	8,241,000
Disposals	-	(24,456)	-	-	-	(24,456)
At 31 December 2022	**8,128,485**	**44,679**	**201,153**	**97,331**	**88,538**	**8,560,185**
Accumulated depreciation and impairment						
At 1 January 2021	-	70,182	29,774	45,735	55,302	200,992
Charge for the period	-	11,007	-	685	3,608	15,300
Write-off/Scrapped	-	(469)	(5,621)	-	-	(6,090)
Disposals	-	(53,964)	(11,416)	-	(560)	(65,940)
At 31 December 2021	**-**	**26,756**	**12,737**	**46,419**	**58,351**	**144,262**
At 1 January 2022	-	26,756	12,737	46,419	58,351	144,262
Charge for the period	16,489	9,231	5,859	1,322	5,245	38,145
Disposals	-	(12,381)	-	-	-	(12,381)
At 31 December 2022	**16,489**	**23,606**	**18,595**	**47,741**	**63,596**	**170,026**
Net book values						
At 31 December 2022	**8,111,996**	**21,073**	**182,558**	**49,590**	**24,942**	**8,390,160**
At 31 December 2021	**-**	**35,756**	**-**	**424**	**13,748**	**49,928**
At 31 December 2020	**-**	**22,038**	**-**	**1,381**	**8,055**	**31,474**

No Property, Plant and Equipment was pledged as security for any liability as at 31 December 2022 (2021: Nil)

The Company	Motor vehicles N'000	Plant and Machinery N'000	Furniture & Fittings N'000	Computer Equipment N'000	Total N'000
Cost					
At 1 January 2021	62,409	29,773	46,139	60,133	198,454
Additions	24,725	-	95	9,024	33,844
Write-off/Scrapped	-	(5,621)	-	-	(5,621)
Disposals	(53,964)	(11,416)	-	(1,172)	(66,551)
At 31 December 2021	**33,170**	**12,736**	**46,234**	**67,986**	**160,126**
At 1 January 2022	33,170	12,736	46,234	67,986	160,126
Additions	-	-	3,404	3,897	7,302
At 31 December 2022	**33,170**	**12,736**	**49,639**	**71,883**	**167,428**
Accumulated depreciation					
At 1 January 2021	62,155	29,773	45,223	54,162	191,312
Charge for the period	5,504	-	616	2,852	8,971
Write-off/Scrapped	-	(5,621)	-	-	(5,621)
Disposals	(53,964)	(11,416)	-	(560)	(65,940)
At 31 December 2021	**13,696**	**12,736**	**45,839**	**56,454**	**128,723**
At 1 January 2022	13,696	12,736	45,839	56,454	128,722
Charge for the period	5,563	-	508	3,890	9,961
At 31 December 2022	**19,259**	**12,736**	**46,347**	**60,344**	**138,683**
Net book values					
At 31 December 2022	**13,911**	**-**	**3,292**	**11,539**	**28,744**
At 31 December 2021	**19,474**	**-**	**396**	**11,532**	**31,402**
At 31 December 2020	**253**	**-**	**916**	**5,971**	**7,142**

No Property, Plant and Equipment was pledged as security for any liability as at 31 December 2022 (2021: Nil)

14. Intangible Assets

Cost	The Group Software N'000	The Company Software N'000
At 1 January 2021	295,597	292,358
Additions	13,412	13,412
At 31 December 2021	309,009	305,770
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**
Amortisation		
At 1 January 2021	288,999	288,417
Amortisation for the period	3,622	3,038
At 31 December 2021	**292,620**	**291,455**
At 1 January 2022	292,620	291,455
Reclassification from Assets held for sale	42,039	-
Amortisation for the period	5,586	3,346
At 31 December 2022	**340,246**	**294,801**
Net book values		
At 31 December 2022	**45,442**	**10,970**
At 31 December 2021	**16,389**	**14,315**
At 31 December 2020	**6,598**	**3,942**

No intangible asset was pledged as security for any liability as at 31 December 2022 (2021: Nil)

15. Investment Properties

	The Group			The Company		
Fair value	Freehold Building N'000	Leasehold Building N'000	Total Investment Properties N'000	Freehold Building N'000	Leasehold Building N'000	Total Investment Properties N'000
At 1 January 2021	80,144	1,706,429	1,786,573	80,144	1,706,429	1,786,573
Transfer to properties under construction - Inventory	(80,144)	(588,871)	(669,015)	(80,144)	(588,871)	(669,015)
Disposals	-	(1,117,558)	(1,117,558)	-	(1,117,558)	(1,117,558)
At 31 December 2021	**-**	**-**	**-**	**-**	**-**	**-**
At 1 January 2022	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2022	**-**	**-**	**-**	**-**	**-**	**-**

Schedule of net gain/ (loss) on disposal

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Sales Proceed	-	1,427,433	-	1,427,433
Agency fees/incidental expenses	-	(25,141)	-	(25,141)
Net Sales Proceed	-	1,402,292	-	1,402,292
Carrying value of investment properties	-	(1,117,558)	-	(1,117,558)
	-	**284,734**	**-**	**284,734**

In 2021, properties valued at N1.1billion were disposed for a net sales proceed of N1.4billion. The amount recognised as rental income from the Group and the Company was N12.8million. Direct operating expense arising from investment properties and other vacant apartments from the Group and Company was N122.6million. There were no Investment Properties in 2022 as they were fully classified to Inventory in 2021.

16. Investments in equity accounted joint ventures

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

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Joint ventures	**125,647**	**128,926**	**130,393**	**124,843**	**128,122**	**129,589**

16 (ii). Investments in joint ventures

	The Group			The Company				
	Restated			Restated				
Investment in Joint Ventures	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000	2022 % holding	2021 % holding
First Restoration Dev. Co. Limited	125,647	128,926	130,393	124,843	128,122	129,589	51.0%	51.0%
	125,647	**128,926**	**130,393**	**124,843**	**128,122**	**129,589**		

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		
	Restated			Restated		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
At 1 January	128,926	130,393	129,589	128,122	129,589	129,589
Share of loss from joint venture (2021 -restated see note 31)	(3,279)	(1,467)	804	(3,279)	(1,467)	-
	125,647	**128,926**	**130,393**	**124,843**	**128,122**	**129,589**

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%
Calabar Golf Estate Ltd.	Golf Estate	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 using equity accounted method 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 N'000	Current Asset N'000	Non-Current Liabilities N'000	Current Liabilities N'000	Cash & Cash Equivalent N'000	Net Asset N'000	Carrying value N'000
31 December 2022							
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 N'000	Deprecia-tion N'000	Interest Income N'000	Interest Expense N'000	Tax Expense N'000	Profit/ (Loss) N'000
31 December 2022						
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	-	-	-	-	-	-

Name	Non Current Asset N'000	Current Asset N'000	Non-Current Liabilities N'000	Current Liabilities N'000	Cash & Cash Equivalent N'000	Net Asset N'000	Carrying value N'000
31 December 2021							
First Festival Mall Ltd.	-	-	-		-	-	-
First Restoration Dev. Coy Ltd.	-	528,895	-	185,706	25,964	369,153	128,926
Pinnacle Apartment Dev. Ltd.	-	(244,691)	-	489,024	11,594	(391,058)	-
Calabar Golf Estate Ltd.	-	1,096,082	-	1,516,762	-	(420,680)	-
UPDC Metro City Ltd.	-	1,963,555	-	5,621,884	535	(3,657,793)	-
Transit Village	-	-	-	-	-	-	-

Name	Revenue N'000	Deprecia-tion N'000	Interest Income N'000	Interest Expense N'000	Tax Expense N'000	Profit N'000
31 December 2021						
First Festival Mall Ltd.	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	161,704	-	-	-	-	(2,876)
Pinnacle Apartment Dev. Ltd.	361,813	-	-	-	-	(163,116)
Calabar Golf Estate Ltd.	-	-	-	-	-	(335)
UPDC Metro City Ltd.	140,722	-	-	-	-	(37,265)
Transit Village	-	-	-		-	-

17. Equity instrument at fair value through other comprehensive income

As at 31 December 2022, 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 N4.45 to N3.00 per unit in current year.

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
As at 1 January	593,690	733,774	-	593,690	733,774	-
Reclassification of Investment in UPDC REIT	-	-	567,007	-	-	567,007
Fair value changes	(193,450)	(140,084)	166,767	(193,450)	(140,084)	166,767
As at 31 December	**400,240**	**593,690**	**733,774**	**400,240**	**593,690**	**733,774**

	The Group		The Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Opening balance of Investment	593,690	733,774	593,690	733,774
Fair valuation at reporting date	(400,240)	(593,690)	(400,240)	(593,690)
Fair value loss	**193,450**	**140,084**	**193,450**	**140,084**

18. Investments in subsidiaries

Principal investments	The Company 2022 N'000	2021 N'000	2020 N'000	% Shareholding 2022 %	2021 %	2020 %
UPDC Hotels Ltd.						
2,082,500,000 Shares of N1.00 each	2,082,500	2,082,500	2,082,500	94%	94%	94%
Manor Gardens Dev. Company Ltd.						
53,810,000 Ordinary Shares of N1.00 each	53,810	53,810	53,810	67.5%	67.5%	67.5%
UPDC Facility Management Ltd.*						
5,000,000 Ordinary Shares of N1.00 each	108,019	108,019	108,019	50%	50%	50%
Deep Horizon Investment Ltd.						
1,000,000 Ordinary Shares of N1.00 each	1,611,697	1,611,697	-	100%	100%	
	3,856,026	**3,856,026**	**2,244,329**			
Impairment of investments	(2,136,310)	(2,136,310)	(2,136,310)			
	1,719,716	**1,719,716**	**108,019**			

Investments in subsidiaries are measured at cost. Investment in UPDC Hotels Ltd. previously classified as a discontinued operation has now been classified as continuing operation.

UPDC acquired Deep Horizon Investment Ltd. In 2021 for N1.6bn, there was no gain on bargain purchase or goodwill on acquisition.

*UPDC's representative's chair on the board of UPDC Facility Management Ltd. as well as control its' day to day activities.

18. (i) Summarized financial information of the subsidiaries

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

	UPDC Facility Management Ltd.		UPDC Hotel Ltd.		Deep Horizon Inv. Ltd.	
Summarised statement of financial position	2022 N'000	2021 N'000	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Current assets	622,400	478,508	284,671	169,110	2,180,550	1,978,056
Non-current assets	7,087	20,597	8,388,332	10,907,551	-	-
Current liabilities	(129,653)	(120,891)	(16,043,050)	(15,584,443)	(469,056)	(374,889)
Non-current liabilities	(479)	-	(250,000)	(250,000)	-	-
Total Equity	499,355	378,215	(7,620,047)	(4,757,782)	1,712,494	1,603,167
Attributable to:						
Equity holders of parent	249,677	189,107	(7,160,890)	(4,471,095)	1,712,494	1,603,167
Non-controlling interest	249,677	189,107	(459,157)	(286,687)	-	-
	499,355	**378,215**	**(7,620,047)**	**(4,757,782)**	**1,712,494**	**1,603,167**
Statement of profit or loss and other comprehensive income						
Revenue	299,524	284,841	239,481	235,844	1,486,990	-
Expenses	(210,922)	(169,774)	(3,077,519)	(719,083)	(1,335,818)	(5,600)
Finance cost	-	-	(25,000)	(25,000)	-	-
Other income	86,728	68,761	5	119,147	8,756	725
Profit before tax	175,329	183,828	(2,863,033)	(389,092)	159,928	(4,876)
Income tax expense	(53,214)	(67,252)	-	(887)	(50,601)	-
Profit for the year	122,115	116,576	(2,863,033)	(389,979)	109,327	(4,876)
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive income	**122,115**	**116,576**	**(2,863,033)**	**(389,979)**	**109,327**	**(4,876)**
Attributable to:						
Equity holders of parent	61,057	58,288	(2,690,517)	(366,480)	109,327	(4,876)
Non-controlling interest	61,057	58,288	(172,516)	(23,499)	-	-
	122,115	**116,576**	**(2,863,033)**	**(389,979)**	**109,327**	**(4,876)**

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.

19. Inventories

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Non trade stock	120,595	-	162	-	-	162
Properties under construction - Note 19 (i)	5,145,164	6,084,508	4,270,744	3,927,221	4,468,168	4,270,744
Balance	**5,265,760**	**6,084,508**	**4,270,906**	**3,927,221**	**4,468,168**	**4,270,906**

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

19(i) Properties under construction

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Balance 1 January	6,084,508	4,270,744	5,715,859	4,468,168	4,270,744	5,715,859
Additions	2,380,740	1,638,802	8,454	2,000,000	22,462	8,454
Transfer from Calabar Golf Estate Ltd.	310,452	-	-	310,452	-	-
Transfer from investment properties	-	669,015	-	-	669,015	-
Disposal	(3,951,285)	(475,270)	(1,055,866)	(2,851,400)	(475,270)	(1,055,866)
Write-down of inventories	-	(18,783)	(397,703)	-	(18,783)	(397,703)
Deferred Commissioning cost*	320,749	-	-	-	-	-
	5,145,164	**6,084,508**	**4,270,744**	**3,927,221**	**4,468,168**	**4,270,744**

*Deferred commissioning cost relates to the cost required to make a sale in the manner contracted with the customer. These costs include infrastructure, surveys, beacon installations, design consultants' fees and statutory fees. They have been reliably estimated and will be progressively re-evaluated /revalued to reflect economic realities.

20. Trade and other receivables

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Trade receivables	960,269	790,006	1,019,593	846,821	746,110	761,634
Less: Impairment of trade receivables (Note 3.1b)	(861,496)	(744,264)	(746,824)	(809,557)	(742,123)	(746,824)
Net trade receivables	**98,773**	**45,742**	**272,769**	**37,264**	**3,987**	**14,810**
Receivables from group companies (Note 28)	1,157,733	2,092,119	2,648,461	1,488,546	2,123,590	9,283,394
Other receivables (Note 20 (i))	654,533	515,733	1,208,033	453,474	449,454	1,182,977
Advances to staff	879	5,820	18,762	1,847	5,770	18,714
	1,911,918	**2,659,414**	**4,148,026**	**1,981,131**	**2,582,801**	**10,499,895**

20 (i) Analysis of other receivables

Mobilization payments to contractors	87,588	26,902	740,788	26,767	26,902	740,788
Prepayments and accrued income	29,729	33,159	16,684	24,105	21,458	15,943
Withholding tax receivables	5,443	24,591	20,756	5,443	24,491	20,752
VAT Receivables	-	-	227	-	-	227
Other Debtors*	531,773	431,080	429,578	397,159	376,603	405,267
	654,533	**515,733**	**1,208,033**	**453,474**	**449,454**	**1,182,977**

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

21. Cash and cash equivalents

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Cash at bank and in hand	1,406,179	1,044,171	861,926	776,582	665,146	564,862
Short term investment - Note 21 (i)	1,755,617	834,181	2,087,814	1,755,617	664,777	2,087,815
Less: Impairment of Short term investments	(321)	(32)	(2,405)	(90)	(32)	(2,405)
Cash and cash equivalents	**3,161,475**	**1,878,320**	**2,947,335**	**2,532,109**	**1,329,891**	**2,650,272**

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 (i) Short term investment as at 31 December 2022

Bank	Tenor	Maturity Date	The Group N'000	The Company N'000
First City Monument Bank	30	1/18/2023	87,689	87,689
First City Monument Bank	30	1/21/2023	1,266	1,266
First City Monument Bank	30	1/22/2023	14,643	14,643
First City Monument Bank	90	2/27/2023	466,780	466,780
First City Monument Bank	30	1/12/2023	26,549	26,549
First City Monument Bank	90	3/14/2023	103,681	103,681
First City Monument Bank	90	1/19/2023	427,386	427,386
First City Monument Bank	90	2/1/2023	307,989	307,989
First City Monument Bank	90	1/22/2023	268,742	268,742
Stanbic IBTC Bank	On Demand	N/A	50,892	50,892
			1,755,617	**1,755,617**

22. Borrowings

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Current borrowings - Accrued Interest						
UACN Plc Loan	32,292	-	1,143,421	32,292	-	1,143,421
Custodian Investment Plc Loan	38,433	-	-	38,433	-	-
5-year bond	-	-	8,199	-	-	8,199
	70,725	**-**	**1,151,620**	**70,725**	**-**	**1,151,620**
Non-current borrowings - Principal						
UACN Plc Loan	2,146,881	2,516,509	-	2,146,881	2,516,509	-
Custodian Investment Plc Loan	2,555,215	2,995,144	-	2,555,215	2,995,144	-
5-year bond	-	-	4,270,880	-	-	4,270,880
	4,702,096	**5,511,653**	**4,270,880**	**4,702,096**	**5,511,653**	**4,270,880**
Total borrowings	**4,772,821**	**5,511,653**	**5,422,500**	**4,772,821**	**5,511,653**	**5,422,500**

Movement in total borrowing during the year is as follows:

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Balance as at 1 January	5,511,653	5,422,500	20,807,171	5,511,653	5,422,500	20,807,171
Proceeds from borrowings	-	5,903,073	-	-	5,903,073	-
Initial measurement of proceeds	391,420	(391,420)	-	391,420	(391,420)	-
Interest accrued	463,613	763,707	1,512,946	463,613	763,707	1,512,946
Repayment of borrowings*	(1,143,421)	(5,422,500)	-	(1,143,421)	(5,422,500)	-
Interest paid	(450,445)	(675,522)	(1,146,076)	(450,445)	(675,522)	(1,146,076)
Interest unpaid reclassified to payables	-	(88,185)	-	-	(88,185)	-
Repayment via rights issue	-	-	(15,751,541)	-	-	(15,751,541)
Balance	**4,772,821**	**5,511,653**	**5,422,500**	**4,772,821**	**5,511,653**	**5,422,500**

*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.

23. Trade and other payables

	The Group			The Company		
		Restated	Restated		Restated	Restated
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Trade payables	912,712	515,898	1,368,393	541,463	517,378	821,551
Contract liabilities (Note 24)	2,538,829	2,168,341	1,818,650	2,469,929	1,798,341	1,818,650
Amounts owed to other related parties (Note 28)	211,789	210,460	191,939	1,071,278	394,171	191,939
	3,663,330	**2,894,699**	**3,378,982**	**4,082,670**	**2,709,890**	**2,832,140**
Value Added Tax/ Withholding Tax Payables	114,508	14,840	135,530	27,308	6,931	124,676
Other payables	360,641	510,908	523,872	265,135	500,811	485,150
Assets Replacement Deposits	241,597	270,997	-	232,597	270,997	-
Unclaimed dividend (Note 24 (i))	252,411	252,411	253,680	252,411	252,411	253,680
Deferred Commissioning cost	320,749	-	-	-	-	-
Accruals (2020/2021 Restated)** see note 31	1,088,646	540,249	1,610,463	467,475	532,026	1,610,463
Total	**6,041,882**	**4,484,103**	**5,902,527**	**5,327,596**	**4,273,066**	**5,306,109**

*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 includes development levy deposits, and other payroll related statutory payment due.

**Accruals is made up of legal fee, audit fee, amongst others. 2020 and 2021 balances were restated due to provision of N77.6m relating to agency fee on prior year sales written back to the retained earnings of 2020.

24. Contract liabilities

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Deposit by customers	**2,538,829**	**2,168,341**	**1,818,650**	**2,469,929**	**1,798,341**	**1,818,650**

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 (i) Unclaimed dividend

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
As at 1 January	252,411	253,680	339,920	252,411	253,680	339,920
Unclaimed dividend fund paid	-	(1,269)	(14,371)	-	(1,269)	(14,371)
Statute barred dividend*	-	-	(71,869)	-	-	(71,869)
	252,411	**252,411**	**253,680**	**252,411**	**252,411**	**253,680**

25. 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		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
Opening balance	98,610	109,433	115,503	98,610	109,433	115,503
Deferred during the year	-	1,930	35,774	-	1,930	35,774
Recognised as revenue during the year	-	(12,753)	(41,844)	-	(12,753)	(41,844)
Reclassified to other payables*	(98,610)	-	-	(98,610)	-	-
Balance carried forward	**-**	**98,610**	**109,433**	**-**	**98,610**	**109,433**
Current	-	98,610	107,288	-	98,610	107,288
Non-current	-	-	2,145	-	-	2,145
	-	**98,610**	**109,433**	**-**	**98,610**	**109,433**

*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.

26. Deferred taxation

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

	The Group			The Company		
Deferred tax liabilities:	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
– Deferred tax liability to be recovered after more than 12 months	73,016	79,357	72,537	72,537	72,537	72,537
– Deferred tax liability to be recovered within 12 months	-	-	-	-	-	-
Deferred tax liabilities	**73,016**	**79,357**	**72,537**	**72,537**	**72,537**	**72,537**

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

	The Group			The Company		
	2022 N'000	2021 N'000	2020 N'000	2022 N'000	2021 N'000	2020 N'000
At 1 January	79,357	72,537	72,537	72,537	72,537	72,537
Recognised in Profit or Loss	(6,341)	6,820	-	-	-	-
At 31 December	**73,016**	**79,357**	**72,537**	**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 N'000	Investment property N'000	Provisions N'000	Tax losses N'000	Capital gains to be reinvested N'000	Exchange difference N'000	Total N'000
At 1 January 2021	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged/(credited) to profit or loss	6,820	-	-	-	-	-	6,820
At 31 December 2021	(62,620)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	79,357
Charged/(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**

The Company

	Property, plant and equipment N'000	Investment property N'000	Provisions N'000	Tax losses N'000	Capital gains to be reinvested N'000	Exchange difference N'000	Total N'000
At 1 January 2021	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged/(credited) to profit or loss	-	-	-	-	-	-	-
At 31 December 2021	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged/(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**

The Group / The Company

*The deferred tax asset computation for the year amounted to N5.1 billion (2021: N7.5 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 N17.2 billion unrelieved tax losses (2021:N17.3 billion) available for offset against future profits.

27. Share capital

Group and Company

	2022		2021		2020	
	Units '000	Amount N'000	Units '000	Amount N'000	Units '000	Amount N'000
Authorised:						
Ordinary shares of 50k each	18,559,970	9,279,985	18,600,000	9,300,000	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	18,559,969	9,279,985
Authorised shares						
At 1 January	18,600,000	9,300,000	18,600,000	9,300,000	3,500,000	1,750,000
Right issue	-	-	-	-	15,100,000	7,550,000
Share Cancellation	(40,030)	(20,015)	-	-	-	-
At 31 December	**18,559,970**	**9,279,985**	**18,600,000**	**9,300,000**	**18,600,000**	**9,300,000**

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

27 (i) Share Premium

Share Premium is the premium on actual price of share issue above the par value of 50 kobo and it is used to take care of bonus issues.

Section 145 of Companies and Allied Matters Act, 2020 requires that where a company issues shares at premium (i.e. above the par value), the value of the premium should be transferred to share premium.

27 (ii) Retained earnings

Retained earnings represent net accumulated result over the years.

28. 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:

(a) Sales of goods and services

	Relationship	Nature of transaction	The Group 2022 N'000	The Group 2021 N'000	The Group 2020 N'000	The Company 2022 N'000	The Company 2021 N'000	The Company 2020 N'000
UAC of Nigeria Plc	Associate	Asset/ Property and Development Management services	6,490	17,898	36,057	6,490	17,898	33,387
Custodian Life Assurance Limited	Fellow Subsidiary		15,000	-	-	15,000	-	-
MDS Logistics Ltd.					275			275
Chemical & Allied Products Plc	Sister Company		-	-	10,978	-	-	10,978
UPDC Metrocity Ltd	Joint Venture		-	-	1,323	-	-	1,066
Pinnacle Apartment Dev. Ltd			-	-	626	-	-	528
Deep Horizon Investment Ltd.	Subsidiary		179,271	-	-	179,271	-	-
UPDC REIT	Equity investment		85,856	35,142	46,342	85,856	35,142	46,106

(b) Purchases of goods and services

	Relationship	Nature of transaction	The Group 2022 N'000	The Group 2021 N'000	The Group 2020 N'000	The Company 2022 N'000	The Company 2021 N'000	The Company 2020 N'000
UAC of Nigeria Plc.	Associate	Rent of office space from UAC and purchase of products	12,981	8,810	25,486	12,981	8,810	25,486
UPDC Hotels Limited			-	-	-	-	-	704
CAP Plc	Sister Company		469	-	1,466	469	-	1,466

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

Receivable:						
Receivables balance	4,345,254	5,835,135	6,037,667	18,725,102	19,923,081	20,162,724
Provision for expected credit losses	(3,187,521)	(3,743,016)	(3,389,206)	(17,236,555)	(17,799,491)	(10,879,330)
Balance as at 31 December	**1,157,733**	**2,092,119**	**2,648,461**	**1,488,546**	**2,123,590**	**9,283,394**

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

		The Group			The Company		
Receivable:	**Relationship**	**2022 N'000**	**2021 N'000**	**2020 N'000**	**2022 N'000**	**2021 N'000**	**2020 N'000**
UPDC Metrocity Limited	Joint Venture	1,019,242	1,860,956	2,025,467	1,019,242	1,860,956	2,025,467
UPDC Hotel Ltd.	Subsidiary	-	-	-	14,330,230	14,045,538	14,045,568
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	643,856	-	647,598	643,856
Pinnacle Apartment Dev. Ltd/ Imani and Sons	JV Partner	320,222	300,346	363,015	320,222	300,346	363,015
Galaxy Mall Current Account	Joint Venture	74,034	74,034	74,034	74,034	74,034	74,034
Manor Gardens	Subsidiary	317,244	308,634	316,782	317,244	316,782	316,782
UPDC Facility Management Ltd.	Subsidiary	-	-	-	49,618	34,260	79,489
		4,345,254	5,835,135	6,037,667	18,725,102	19,923,081	20,162,724
Impairment of Intercompany receivables		(3,187,521)	(3,743,016)	(3,389,206)	(17,236,555)	(17,799,491)	(10,879,330)
		1,157,733	**2,092,119**	**2,648,461**	**1,488,548**	**2,123,590**	**9,283,394**

Payable:	**Relationship**						
UAC of Nigeria Plc.	Associate	7,002	41,125	5,913	7,002	41,125	5,913
Custodian Investment Plc.	Parent	-	47,922	-	-	47,922	-
UPDC REIT	Equity investment	75,416	46,858	65,774	75,416	46,858	65,774
MDS Logistics Ltd.	Sister Company	1,787	1,787	1,790	1,787	1,787	1,790
James Pinnock	Joint Operation	-	72,741	117,562	-	72,741	117,562
First Restoration Dev. Co. Limited	Joint Venture	127,583	-	885	127,583	-	885
UAC Foods Limited	Sister Company	-	28	-	-	28	-
Warm Spring Waters Nig. Ltd.	Fellow Subsidiary	-	-	15	-	-	15
Deep Horizon Investment Ltd.	Subsidiary	-	-	-	859,489	183,710	-
		211,789	**210,460**	**191,939**	**1,071,278**	**394,171**	**191,939**

All trading balances will be settled in cash.

The related party transactions were carried out on commercial terms and conditions.

29. Contingent liabilities

As at 31 December 2022, the Group in its ordinary course of business is presently involved in 32 cases as a defendant and 13 cases as a plaintiff. The total amount claimed in the 32 cases against the Group is estimated at N18.7billlion, while the total amount claimed in the 13 cases instituted by the Group is N100.5million. 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.

30. 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 2022 or the financial performance for the year then ended that have not been adequately provided for or disclosed.

30.1 Going Concern Consideration

The subsidiary of the Group, UPDC Hotel Limited recorded accumulated losses of N6.7billion over the last five years. Added to this, the subsidiary recorded a net loss of N2.9 billion during the year ended 31 December 2022 and, as of that date, UPDC Hotel's current liabilities exceeded its total assets by N7.7billion. These indicate the existence of a material uncertainty, which may cast significant doubt on the ability of the subsidiary of the Company to continue as a going concern. However, the directors have commenced the execution of plans to address the going concern situation that will enable the company to exist in the foreseeable future.

31. Restatements

Restatement of comparatives

UPDC Plc had in its books excess provisions to the tune of N77.6million made for agency fees between 2017-2020. These provisions were made to settle agents involved in the sale of properties by the company. However, upon completion of sales of these properties, the provisions which ought to have been written back in the years were not written back. In line with IAS 8 - Accounting Policies, Changes in Accounting Estimates and errors, the excess provision 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, loss for the year and provisions of the year 2020 being the earliest prior period presented.

Also, the Company has investments in joint ventures which ought to have been accounted for using equity method in line with the Company's accounting policy and IAS 28 – Investments in Associates and Joint Ventures. However, the Company did not recognise the share of loss from its existing joint venture in 2021. This resulted in restating the 2021 financial with the share of loss from the existing joint venture i.e.

Impact on the consolidated financial statements

The quantitative effects of the restatements on the group's and the company's financial statements for the year ended 31 December 2020 are as follow:

As reported in the statement of financial position:

	The Group		The Company	
retained earnings	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Opening balance of retained earnings (as previously stated)	(10,654,133)	(5,014,475)	(17,815,137)	(5,082,059)
Write back of the excess provisions (2017 - 2019)	77,580	76,955	77,580	76,955
Share of loss from joint venture in 2021	(1,467)	-	(1,467)	-
retained earnings (as restated)	**(10,578,020)**	**(4,937,520)**	**(17,739,024)**	**(5,005,104)**

Loss for the year	2021	2020	2021	2020
Loss for the year (as previously stated)	(1,926,111)	(617,693)	(8,577,911)	(1,059,312)
Write back of the excess provisions during the year 2020	-	625	-	625
Share of loss from joint venture in 2021	(1,467)	-	(1,467)	-
Loss for the year (as restated)	**(1,927,578)**	**(617,068)**	**(8,579,378)**	**(1,058,687)**

Provision and accruals (inclusive of provision for agency fees)	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
Provision and accruals (as previously stated)	617,829	1,688,043	609,606	1,688,042
Write back of the excess provisions	(77,580)	(77,580)	(77,580)	(77,580)
Provision and accruals (as restated) see note 23	**540,249**	**1,610,463**	**532,026**	**1,610,462**

Investment in joint ventures	The Group 2021	The Company 2021
Investment in joint ventures (as previously stated)	130,393	129,589
Share of loss from joint venture in 2021	(1,467)	(1,467)
Investment in joint ventures (as restated) see note 16	**128,926**	**128,122**

32. Disposal group held for sale and discontinued operations

In 2017, the Board of UPDC Plc. decided to sell its investment (94% Shareholding) in UPDC Hotel Ltd. (UHL). Consequently, the hotel was classified as a disposal group held for sale and as a discontinued operation in accordance with IFRS 5 in the 31 December 2017 financial statements of the Group.

IFRS 5 requires that except for certain exceptions, the sale of a non-current asset or disposal group is expected to qualify for recognition as a completed sale within one year from the date of classification. However, before the year 2022, despite management commitment to sell the assets which were available for immediate sale and active programme put in place to locate an active buyer, there were certain factors considered to be beyond the control of management which have invariably extended the sale period beyond one year.

Changes to a plan of sale

In the financial year ending 31 December 2022, the Directors, having considered that the criteria upon which the assets were classified as held for sale are no longer met, decided to rescind the decision to sell its investment in the Hotel, and hence reclassified back as continuing operations with effect from September 2022.

In line with the requirements of the IFRS 5, the company carried out the valuation of the property, plant and equipment held for sale in order to determine the recoverable amount at the date of the subsequent decision not to sell and compared with the carrying amount of the assets - adjusted for depreciation to date in order to determine the lower of the adjusted carrying amount and the recoverable amount to be recognised.

The valuation of the assets was carried out by an independently appointed asset valuer "Knight Frank with FRCN number FRC/2013/NIESV/00000000655", to ascertain the value placed on these assets of the Hotel as at September 2022.

Details of the amount recognised as continuing operation in the current year are as follow:

	N'000
Recoverable amount based on valuation (A)	**8,241,000**
Carrying amount of the revalued assets	11,943,485
Depreciation (September 2017 to September 2022)	(1,191,870)
Adjusted carrying amount (B)	10,751,615
Amount recognised (lower of A and B)*	**8,241,000**

* Amount recognised in Property, plant and equipment - Note 13

Write back of impairment on asset of disposal group held for sale

	N'000
Amount recognised in Property, plant and equipment - as above	8,241,000
Release of impairment charge on property plant and equipment*	3,197,407
Adjusted carrying amount - as above	(10,751,615)
Write back of impairment on asset of disposal group held for sale	**686,792**

*This represents the impairment charge relating to property, plant and equipment held for sale since 2017 out of the total impairment of N4.03bn charged on the total assets of disposal group held for sale. This has now been released upon rescinding the decision to sell the investment in the hotel.

32 (i) Analysis of the results of the discontinued operations for prior year is as follows:

	UPDC Hotel Ltd.	
	12 months ended 2022 N'000	12 months ended 2021 N'000
Revenue	-	235,844
Cost of sales	-	(67,173)
Gross profit	**-**	**168,671**
Other operating costs	-	(404,104)
Other operating income	-	119,147
Operating profit	**-**	**(116,286)**
Finance income	-	-
Loss before taxation from discontinued operations	**-**	**(116,286)**
Taxation	-	-
Loss from discontinued operations	**-**	**(116,286)**
Attributable to:		
Equity holders of parent	-	(110,123)
Non-controlling interest	-	(6,163)
Operating profit	**-**	**(116,286)**

Analysis of the results of the disposal group held for sale and distribution to owners is as follows:

	UPDC Hotel Ltd.	
	2022 N'000	2021 N'000
Assets		
Non-current assets:		
Property, plant and equipment	-	11,943,485
Intangible assets	-	5,130
	-	**11,948,615**
Current assets:		
Inventories	-	48,951
Trade and other receivables	-	90,592
Cash and short-term deposits	-	27,761
	-	**167,304**
Assets of disposal group classified as held for sale	**-**	**12,115,919**
Less: Impairment of assets of disposal group held for sale	-	(4,029,237)
Fair value of disposal group held for sale	**-**	**8,086,682**
Liabilities		
Current liabilities		
Trade and other payables	-	1,187,897
Liabilities of disposal group classified as held for sale	**-**	**1,187,897**

Statement of Value Added

	The Group				The Company			
	2022 N'000	%	2021 N'000	%	2022 N'000	%	2021 N'000	%
Sale of properties, rents and services	5,896,957		825,404		3,870,963		540,563	
Other operating income & credit loss reversal	455,145		310,762		548,894		98,608	
Bought in materials and services (All local)	(4,990,531)		(1,450,237)		2,205,811		7,884,858	
Finance income	86,367		45,654		77,611		44,929	
Value added/ (consumed)	**1,447,938**	**100**	**(579,179)**	**100.0**	**1,038,648**	**100**	**(7,487,832)**	**100**
Distribution:								
Employees	450,807	31	378,566	(65)	238,771	23	240,114	(3)
Company Taxes	136,407	9	136,149	(24)	26,251	3	75,717	(1)
Interest charges	463,613	32	763,707	(132)	463,613	45	763,707	(10)
Depreciation	192,586	13	15,300	(3)	9,961	1	8,971	(0)
Amortisation	3,994	0	3,622	(1)	3,346	0	3,038	(0)
Transfer to non-controlling interests	40,874	3	51,055	(9)	-	-	-	-
Retained profit/ (loss)	159,658	11	(1,927,578)	333	296,706	29	(8,579,378)	115
Value added/ (consumed)	**1,447,938**	**100**	**(579,179)**	**100.0**	**1,038,648**	**100**	**(7,487,832)**	**100**

Value (consumed)/added represents the additional wealth which the Group has been able to (utilise)/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 creation of more wealth.

Group Five - Year Financial Summary

	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Liabilities					
Non-current liabilities	4,775,112	5,591,010	4,345,562	4,341,230	4,329,867
Current liabilities	6,256,655	4,721,677	7,281,122	21,620,331	23,301,701
Liabilities of disposal group classified as held for sale	-	1,187,897	946,620	802,626	780,414
Total liabilities	**11,031,767**	**11,500,584**	**12,573,304**	**26,764,187**	**28,411,982**
Ordinary share capital	9,279,985	9,279,985	9,279,985	1,299,198	1,299,198
Share premium	8,971,551	8,971,551	8,971,551	6,065,397	6,065,397
Other reserves	-	391,420			
Revenue reserve and fair value reserve of financial assets at FVOCI	(9,898,336)	(10,551,336)	(8,483,675)	(5,014,475)	10,861,012
Shareholders' funds	8,353,200	8,091,620	9,767,861	2,350,120	18,225,607
Non-controlling interest	43,436	2,562	(48,493)	(178,288)	(170,700)
Total equity	**8,396,636**	**8,094,182**	**9,719,368**	**2,171,832**	**18,054,907**
Net equity and liabilities	**19,428,404**	**19,594,765**	**22,292,672**	**28,936,020**	**46,466,889**
PPE & Investment properties	8,435,602	66,317	1,824,646	2,417,871	4,274,810
Long term Investments	525,887	722,616	864,167	129,589	20,109,195
Assets of disposal group classified as held for sale	-	8,086,682	8,140,686	15,249,451	8,320,174
Current assets	10,466,915	10,719,150	11,463,174	11,139,109	13,762,710
Total assets	**19,428,404**	**19,594,765**	**22,292,672**	**28,936,020**	**46,466,889**
Comprehensive income					
Revenue	5,896,957	825,404	1,662,487	2,157,614	2,303,326
Profit/ (loss) before taxation	330,598	(1,617,268)	(262,693)	(16,194,629)	(13,244,202)
Taxation	(130,066)	(142,969)	(115,023)	454,722	(1,723,130)
Profit/ (loss) after taxation	200,532	(1,760,237)	(377,716)	(15,739,907)	(14,967,332)
Non-controlling Interest	40,874	51,055	11,776	(7,588)	(4,764)
Total comprehensive profit/(loss) attributable to the equity holders of the parent	(33,792)	(2,067,662)	(450,926)	(15,875,487)	(15,044,717)
Retained earnings	(33,792)	(2,067,662)	(450,926)	(15,875,487)	(15,044,717)
Basic earnings/ (loss) per share (kobo)	1	(9)	(2)	(115)	(579)
Net assets per share (Naira)	0.5	0.4	0.5	0.8	6.9

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

	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Liabilities					
Non-current liabilities	4,774,633	5,584,190	4,345,562	4,341,230	4,329,867
Current liabilities	5,435,651	4,450,208	6,682,801	21,234,266	22,915,633
Total liabilities	**10,210,284**	**10,034,398**	**11,028,363**	**25,575,496**	**27,245,500**
Ordinary share capital	9,279,985	9,279,985	9,279,985	1,299,198	1,299,198
Share premium	8,971,551	8,971,551	8,971,551	6,065,397	6,065,397
Other reserves	-	391,420	-		
Retained earnings and fair value reserve of financial assets at FVOCI	(17,609,085)	(17,712,341)	(8,992,879)	(5,082,059)	7,353,595
Total equity	642,451	930,615	9,258,657	2,282,536	14,718,190
Net equity and liabilities	**10,852,736**	**10,965,013**	**20,287,020**	**27,858,032**	**41,963,690**
PPE & Investment properties	39,714	45,717	1,797,657	2,417,506	4,274,445
Long term Investments	2,244,799	2,441,528	971,382	129,589	91,335
Assets of disposal group classified as held for sale	-	-	-	7,007,890	16,489,153
Current assets	8,568,223	8,477,768	17,517,981	18,303,047	21,108,757
Total assets	**10,852,736**	**10,965,013**	**20,287,020**	**27,858,032**	**41,963,690**
Comprehensive income					
Revenue	3,870,963	540,563	1,597,218	2,157,614	2,303,326
Profit/ (loss) before taxation	322,957	(8,503,661)	(946,192)	(12,890,376)	(16,673,705)
Taxation	(26,251)	(75,717)	(113,120)	454,722	(1,813,257)
Profit/ (loss) after taxation	296,706	(8,579,378)	(1,059,312)	(12,435,654)	(18,486,962)
Other comprehensive income for the period net of taxation	-	-	166,767	-	-
Total comprehensive income/(loss)	296,706	(8,579,378)	(892,545)	(12,435,654)	(18,486,962)
Basic earnings/ (loss) per share (kobo)	2	(46)	(8)	(91)	(711)
Net assets per share (Naira)	0.03	0.05	0.5	0.9	5.7

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.

CSR AND SUSTAINABILITY REPORT

About the Report

This report covers UPDC Plc (UPDC) sustainability related activities between January 1, 2022, and December 31, 2022, unless noted otherwise.

The report is built on the underlying foundation of the Nigeria Exchange Regulation Limited's sustainability disclosure guidelines and with reference to the updated guidelines issued by the GRI – GRI 2021 which enables organisations to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development.

UPDC has merged guidance from both disclosure frameworks, along with input from our stakeholders through a materiality assessment to obtain a clearer world view on the ESG issues that have impacts on the operations and interactions of UPDC. This serves as our first step towards managing the constantly changing risks and exposures from ESG issues.

We identified 22 topics as material to the long-term success and resiliency of our businesses and have disclosed on them across three focus areas representing our sustainability strategy: Sustainability Governance, Environmental Stewardship and Social Responsibility.

This is our third-year reporting on our ESG strategy and performance which underpins our continued commitment to building a more resilient business driven by transparency and stakeholder engagement. We have detailed our management approach to each area, commitments and performance for each material topic identified with specific context for our operating conditions.

Organizational Scope and External Assurance

The scope of the report covers material topics for us and our real estate business covering asset management and facility management unless stated otherwise. For disclosures covering physical assets, only data sourced from the Headquarters of UPDC has been reported. As we move on in our sustainability journey and develop enterprise -wide sustainability data collection systems, we will report on other facilities. In alignment with GRI, where applicable, information on assumptions, estimates and omissions have been provided within the report.

The report and KPIs reported within it have not be externally verified by a third-party. There are active plans as part of our strategy to seek external assurance in the near future.

Contact

For further information on the contents of the report and enquiries, please contact Mrs. Folake Kalaro at **fkalaro@updcplc.com.**

Organizational Profile

Who we are

Founded in 1997, UPDC 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 Exchange Limited , 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

We have established strong operating capabilities over the years that enable us to provide significant operational assistance and influence across our assets and businesses. We commit to explore all possibilities within our control and beyond it to join the transition to a clean energy and Nigeria's commitment to the race to net-zero, ensuring that the core of our business operations takes Sustainability into key consideration in its overarching strategy, objectives, decision making and planned approaches, influencing our entire value chain in the responsible way of doing business and measuring our carbon footprints while at it.

We will considerably select green technologies, low carbon emitting devices and machineries as we make our architecture choices and form alliances in this sustainability journey. We will train our staff and provide the right level of green awareness to all our stakeholders, driving and leading sustainability beyond compliance and conformity.

CEO's Statement

I am happy to present to you UPDC's third sustainability report which underlines our commitment to transparency and engagement with our stakeholders on our sustainability performance and commitments. UPDC understands the key role we play in driving sustainable change in Nigeria by providing housing solutions for millions of Nigerians as well as contributing to the vision of modern urbanisation that leverages technology and innovation.

We have made strides in that journey towards sustainable development across our focus areas by making improvements to our building design strategy with modern efficiencies, influencing behavioural changes in our contractors to support emissions reductions and continuing to build a good place to work that ensures our employees feel valued and contribute to the growth and productivity of our business.

There is a global push now more than ever for companies to understand their ESG impacts and most significantly the exposures to climate change. We have initiated our process to better understanding the impacts to our short- and long-term strategy as well as identifying opportunities that we can explore in the new look world; we also plan to develop a baseline inventory for our emission sources to guide our approach to performance measurement and target setting driven by the results from the responses from our materiality assessment and guidance from the Taskforce for Climate-related Financial Disclosures (TCFD).

Our continued efforts including ESG upskilling help us improve our management of ESG risks which sets the framework for building a resilient business model that is agile enough to proactively prepare for changes in the economic environment. This allows us to develop processes and products that will allow us to remain the top choice in real estate development.

We are thrilled to be a part of the journey towards sustainable development, and I look forward to a green and just future that we can now start to envision.

Signed

Odunayo Ojo
CEO, UPDC
FRC/2016/NIESV/00000014322

Sustainability Governance

Sustainability Strategy/Ambitions

Building on our sustainability strategy which we defined in 2021, our view on sustainability involves managing our business with integrity underlined by economic excellence combined with a philosophy of responsible business practices. This is consistent with our ambition to conducting business with a long-term perspective in a sustainable and ethical manner. We are looking to reimagine business as usual to allow for a better business model where we are constantly embedding ESG considerations into decision making and living it as a culture within the company.

Corporate Governance	We commit to the highest ethical standards by conducting business activities in accordance with our national regulations and our internal code of conduct.
Transparency and Accountability	We build and foster strong stakeholder relationships through transparency in reporting and active engagement.
Safe and inclusive work environment	We create a safe work culture with an aim to record zero incidents and enable a positive work environment based on respect for human rights, diversity, and zero tolerance for workplace discrimination, violence or harassment.
Strong communities	We engage and work to protect the interests, safety and well-being of the communities in which we operate. We engage in commmunity volunteerism and encourage same for our employees.
Environmental Preservation	We strive to reduce and mitigate the impact of our operations on the environment by improving our approach to resource usage and committing to emission reduction targets.

Figure 1: Sustainability Strategy focus areas

Sustainability is a key driver of our business strategy, and we are committed to creating value for all our stakeholders while contributing to the sustainable development of the communities where we operate. As a real estate company, we recognize our responsibility to minimize our environmental impact, promote social equity, and uphold high standards of governance.

Our sustainability strategy is aligned with the United Nations Sustainable Development Goals and the principles of the Global Compact. We recognize that sustainability is a journey, and we are committed to continuous improvement, learning, and engagement with our stakeholders to achieve our vision of a sustainable future.

For each of our strategic focus areas, we have identified value drivers that will enable us to achieve these, we have also aligned these to the UN SDGs and paid specific attention to Goal 11 – Building Sustainable Cities and Communities, its targets, and indicators as it impacts our business operations and continue to look to contribute to the global mandate for global sustainable development.

We acknowledge the SDGs as a call to action to address global social, environmental and governance matters by 2030, to improve lives and prospects of people everywhere. UPDC is committed to taking action to advance the Goals. We have aligned our value drivers to contribute to the indicators of the UN SDGs and continue to ramp up our efforts to lead, collaborate and participate in initiatives that reimagine existing business practices and provide for innovation in our operations. In 2022 and beyond, we will continue to advance our contributions and reporting on action to the SDGs.

Sustainability Strategy Focus Area	Value Drivers	Outcomes	UN SDGs Alignment
Corporate Governance	· Financial Performance · Capital Management · Corporate Governance · Risk Management	Efficient management of investor capital supported by integration of ESG aspects in decision making.	**UN SDGs – 1-17** Committed to participate as a responsible business in supporting all five key stakeholder Groups achieve the SDGs
Transparency and Accountability	· Stakeholder engagement · Sustainability Reporting	Increased Shareholder confidence in reported data for making informed decisions.	**UN SDG 16:** Peace, Justice, and Strong Institutions **Target 16.6:** Develop effective, accountable, and transparent institutions at all levels
Safe and inclusive work Environments	· Diversity and Inclusion · Employee Engagement · Health and Safety	Motivated and high performing workforce that achieves UPDC's goals.	**UN SDG 5:** Gender Equality **UN SDG 8:** Decent Work and Economic Growth
Strong Communities	· Community Contribution · Supply chain management · Stakeholder engagement	Positively impacted communities that contribute to the sustained growth of UPDC.	**UN SDG 11:** Sustainable Cities and Communities
Environmental Preservation	· Resource Efficiency · Green Buildings · Climate change adaptation and mitigation	Reduced environmental footprint that contributes to a decarbonized portfolio that is attractive to international and local investors.	**UN SDG 12:** Responsible Consumption and Production **UN SDG 13:** Climate Action

Table 1: Sustainability Strategy value drivers

Stakeholder Engagement and Prioritization

Building and nurturing strong working relationships with our stakeholders is critical to our value creation. Our key stakeholders include investors, third party capital partners, customers, communities, suppliers, government, media, and our people. We aim to build lasting relationships with our stakeholders through an active program of engagement activities.

As part of our periodic materiality assessment, we re-assess the list of our stakeholders determining their priority, level, mode and frequency of engagement with them as we consider involving them as a critical component of identifying key issues that impact our ability to determine what s material to our business and how we must create value for our stakeholders over the short, medium and long term.

The table below identifies our key stakeholder groups and how we engage with them, detailing the channels and frequency of our engagements with them.

Stakeholder Group	Engagement Channels	Frequency
Regulators	· Regulator Meetings	· Quarterly
	· Compliance reports	
Employees	· Employee Surveys	· Annually
	· Ethics Hotline/Whistleblowing Policy	· Yearly
	· Internal Events/Town Halls	· Weekly
	· Internal Communications/Intranet	· Weekly
Investors	· Investor Meetings, Conferences, Webcasts and Calls	· Quarterly
	· General Meetings and Investor Reports	· Yearly
	· Email Notifications and Updates	· When the need arises
	· Website/Investor Portal	· Quarterly
Board of Directors	· Board reports	· Quarterly
	· Board Meetings	· Quarterly
	· Email Notifications and Updates	· As necessary
Communities	· Community Outreach	· As necessary
	· Town Halls	
Suppliers and Vendors	· Surveys	· Annually
	· Conferences and Town Halls	· As necessary

Table 2: Stakeholder Engagement Table

Materiality Assessment and Matrix

The materiality process allows companies identify the most important Environmental, Social and Governance (ESG) topics that can impact their business. For the 2022 reporting year, UPDC refreshed its materiality assessment to reflect current realities and emerging ESG concerns such as climate action, health and safety ,the push for net-zero commitments and climate risk management. UPDC performed an internal calibration of our estimation of the impacts of our identified material topics based on responses from our stakeholders.

The 2022 Sustainability materiality matrix outlines the material topics identified using the GRI's reporting standards, the NGX Sustainability disclosure guidelines and the level of influence that UPDC's internal and external stakeholders believe these will have on our operations.

The four quadrants are defined below and are presented in the materiality matrix diagram that follows:

1. **Top Right Quadrant:** the aspects that fall into this quadrant are considered to be significant (or material) to UPDC's business and important to UPDC's stakeholders. These are aspects that are critical for disclosure.
2. **Bottom Right Quadrant:** the aspects that fall into this quadrant are considered to be highly significant (or material) to UPDC's business but are less important to UPDC's stakeholders. These are aspects that are still considered to be relevant for disclosure.
3. **Top Left Quadrant:** the aspects that fall into this quadrant are considered to be highly important to UPDC's stakeholders, but less significant (or material) to UPDC's business. These are aspects that are still considered to be relevant for disclosure.
4. **Bottom Left Quadrant:** the aspects that fall into this quadrant are considered to be less important to UPDC's stakeholders, and less significant to UPDC's business. These aspects are not considered to be important enough for disclosure; however, they will still be tracked and managed by UPDC.

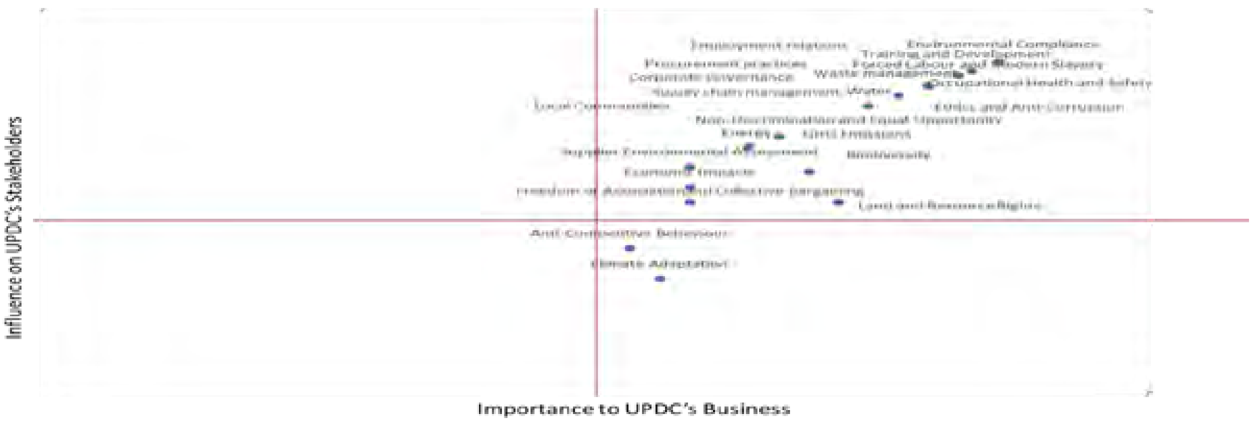

Figure 2: Materiality Matrix

Interpreting the Change in our Materiality Matrix

Material topics and their associative ratings reflect considerations of risks and opportunities that influence our ability to deliver on our vision, purpose and strategy.

The outcomes of materiality assessments and reviews are inputs into the regular review of UPDC's key risks and value drivers.

Associations and External Initiatives

Partnerships are critical to achieving our sustainability ambitions, as no single organization or individual can address the complex and interconnected sustainability challenges we face alone. Collaboration and partnerships across sectors, industries, and stakeholders are essential for driving sustainable development and achieving a more sustainable future.

Through our associations such as the Private Sector Advisory Group on the UN SDGs (PSAG) and the United Nations Global Compact (UNGC), we are able to leverage resources, knowledge, and expertise, while also fostering innovation, building trust, and promoting shared values and goals towards addressing pertinent social, environmental, and economic sustainability issues.

Corporate Governance

Corporate governance is a crucial aspect of UPDC's sustainability ambitions, as it provides the framework for ensuring that sustainability is integrated into our decision-making processes and operations. Good governance practices allow for the promotion of accountability, transparency, and ethical behavior, while also driving long-term value creation for all our stakeholders.

Given our focus on strong leadership around sustainability, we ensure that we conduct our business according to the highest ethical and legal standards. Sound governance practices guide our actions and ensure alignment with our investors. We regularly review evolving legislation, guidelines, and best practices where we operate and update our compliance actions accordingly. UPDC 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 Stock Exchange Rules and Regulations, amongst others.

For more information on our Corporate Governance , please refer to our corporate governance report in our annual report.

Building ESG Competence

The Board in keeping with the corporate governance rules of Nigeria are required to oversee the management of risks and opportunities to UPDC including ESG risks and develop an approach to manage and mitigate these impacts.

In 2022, the Executive management of UPDC completed a masterclass on corporate sustainability as well as a risk management workshop to identify, evaluate and develop mitigatory actions for UPDC's material ESG risks. This focus on capacity building is consistent across all levels of the business as we focus on building orientation on ESG considerations across all functions.

The Board of Directors has ultimate oversight of UPDC's ESG strategy and receives regular updates on ESG initiatives throughout the year.

Ethics and Anti-corruption

Our commitment to conducting our business ethically and responsibly within UPDC as well as within the businesses and assets that we manage is reflected and documented in our values, Code of conduct, policies and processes. This comprises adhering to all laws and regulations and honoring all contracts and obligations, be they related to anti-bribery and corruption, protection of human rights, or maintaining a positive work environment.

We have a zero-tolerance approach to bribery, including facilitation payments. We mandate all employees to complete an annual anti-bribery and corruption training course and certify their compliance. We periodically review the course content and also provide an ethics hotline to facilitate the reporting of suspected unethical, illegal or unsafe behavior anonymously.

Supply Chain

As we look towards embedding sustainable procurement practices into our operations, we are working towards developing a holistic view of our supply chain that considers the full lifecycle of inputs into our operations, from raw material extraction to end-of-life disposal. This initiative will require collaboration and engagement with suppliers, customers, and other stakeholders and serve as a baseline for UPDC as we look to invest in sustainable building solutions and innovations that have net-positive social, environmental, and economic outcomes.

We extend our code of conduct to our suppliers and vendors and require them to operate in accordance with all applicable laws and regulations. Going forward, we intend to embed environmental and social considerations into our vendor selection process and perform periodic audits on compliance.

Procurement Practices

At its core, sustainable procurement involves selecting suppliers and products that minimize environmental impacts, promote social equity, and uphold high standards of governance and ethics. This means considering factors such as the environmental performance of products, the labor practices of suppliers, the safety and health of workers, and the ethical and legal compliance of suppliers.

UPDC has adopted responsible contractor policies to help guide the selection of contractors and subcontractors who provide services to the company. UPDC supply chain management focuses on reducing the risks associated with engaging with suppliers, to mitigate this, UPDC employs a procurement process for assessing contractors. This process in the future will include ESG considerations to manage risks rising from human rights, environment and sustainability alignment.

Supplier Environmental Assessment

As we continue to embed sustainability into our process, UPDC will request companies to submit their environmental sustainability policies outlining how they minimize the impact on the environment and carbon footprint and have a scoring system with a view to blacklisting non-compliant companies/individuals on future projects.

Risk Management

Risk management is a fundamental part of our business, and our investors require us to properly manage risk while creating long-term value. Our controlled risk management approach is based on clear operating methods and a strong risk culture. We understand that risks to our businesses—including ESG-related risks—are constantly evolving, and our program aims to monitor, and proactively mitigate and manage them over time.

We conduct risk assessments at critical decision points during the investment process to identify risks and to meet target returns. The Board adopts a balanced risk profile to maintain a sustainable business and ensure we remain an attractive investment proposition over the long term. We recently completed an ESG risk assessment that covers UPDC's climate, environmental, social and governance risks.

#	Risk	Description	Mitigation
1	Financial Risks	Risks arising from lack of funds to meet the Company's obligations, fund new developments and meet operational obligations. It also includes risks arising from huge cost of debts	· Start pre-sale of new developments to generate cash for the new projects. · Endeavor to lock in both the soft and hard costs of construction of new projects as soon as possible. · Enforcement of credit controls continuously.
2	Sales and Revenue	This is the risk that arises from our inability to sell the Company's key assets and fall in the value of our legacy assets.	· Develop fighter products in low & medium category and execute in new projects. · Aggressive marketing of key assets. · Engagement of high calibre brokers for disposal of specific assets. · Market surveys are done quarterly. Innovation reports are also presented at the Monthly Business Review meeting.
3	Development and Construction Risks	These are risks arising from land acquisition to the project is completed and sold off. It includes risks like cost overruns, design defects, not delivering projects withing specific quality parameters, HSE risks and project exit risks.	· Rigorous due diligence process both on title documents and owner entities. · Extensive market research to ensure adequacy of product offering. · Early engagement with Planning Agency. · Carry out quality tests and obtain certification as required. · Stakeholder Management Policies and Procedures. · Inclusion of ESG driven energy solution in our projects.
4	Contractual Risks	Contractual risk involves potential losses arising from breach of contracts by the Company or counterparties to contracts for the supply of goods and services.	· Improved interaction between relevant departments at contract development stage. · Simplification of contracts with clear drafting language to avoid ambiguity. · Deployment of standard contracts with appropriate mitigating clause. Service Level Agreements (SLA) for all Suppliers and Consultants.

#	Risk	Description	Mitigation
5	Macro-economic Risks	Uncertainties due to the actions of governmental, regulatory and/or non-governmental groups, economic policies directing impacting indicators like Forex and Interest rates.	· Deleveraging the business via equity fund injection; Unlocking value from encumbered and low-performing assets. · Ensure that the company's contracts have clauses that cushion the effect of currency fluctuations for all projects.
6	Regulatory Risks	Risks arising from non-adherence to laws, standards, and codes of conduct.	· Regular review and conformity with statutory regulations. Collaborate more with regulatory bodies. · Regular interactions with regulators and government agencies.
7	Information Security / Technology risks	Risks arising from inadequate IT strategy, lack of data and information availability, integrity, and security.	· Deployment of high-end IT infrastructure (Servers, Cloud storage etc.). · Implementation of standard data protection practices in line with standard and guides.

Table 3: Risk Management Table

Environmental Stewardship - Commitment, Targets and Ambitions

UPDC recognises our responsibility to be environmental stewards and to prioritize sustainability in all aspects of our operations. We understand that our actions can have a significant impact on the environment and the communities we serve, and we are committed to reducing our environmental footprint, conserving natural resources, and promoting sustainable development.

To achieve this goal, we continue to work towards building a comprehensive environmental stewardship program that encompasses all aspects of our operations, from design and construction to property management and tenant engagement. This program is grounded in the principles of sustainability, and it guides our decision-making and actions in order to minimize our environmental impact, enhance the health and wellbeing of our tenants and employees while ensuring long-term value for all stakeholders.

Our environmental stewardship program includes a range of initiatives designed to conserve natural resources, reduce greenhouse gas emissions, promote renewable energy, and enhance biodiversity. These initiatives include energy-efficient building design and construction, water conservation measures, waste reduction and recycling programs, sustainable transportation options, and green space and biodiversity enhancement.

UPDC's approach to a low carbon future will focus on implementing the following initiatives:

- Affordable and Clean Energy through the use of Renewable Energy sources such as solar power.
- Industry, Innovation, and Infrastructure achievable through the development of quality, reliable, sustainable and technology-driven infrastructure as well as the use of energy-efficient appliances/equipment.
- Responsible Consumption and Production through local material sourcing, efficient use of materials as well as recycling construction materials.
- Climate Action through the integration of climate change measures into policies, strategies and planning.
- Embedding Environmental concerns into risk management to ensure shareholder confidence and improve property values which in turn leads to lower environmental risks across our portfolio.

Climate Action and Emissions Reduction

UPDC recognises the urgent need to address the challenge of climate change, and we are committed to taking bold and ambitious action to mitigate our impact on the climate. We understand that climate change poses a significant risk to our business, and that our investors and stakeholders expect us to take a leadership role in addressing this critical global issue. We are committed to the emission reduction targets put forward by the Paris climate agreement and continue to adopt measures to assess our climate risks and opportunities in line with the Task Force on Climate related Financial Disclosures (TCFD) guidelines which set out the approach for establishing governance mechanisms for managing climate risks.

In addition to our climate initiatives, we are committed to engaging with our investors and stakeholders on climate-related issues, and to reporting transparently on our performance and progress towards our climate goals. We recognize that effective climate action requires collaboration and engagement with a wide range of stakeholders, and we are committed to working with our investors, tenants, employees, and other stakeholders to create a more sustainable future.

In our construction process, we understand the significance of changing our operational behaviour to reduce our overall footprint , we have taken steps towards this by;

- Encouraging contractors to recycle and reuse waste construction materials on other construction sites where possible.
- Repurposing waste materials in the creation of new construction materials.
- Factoring recycling locations within our Estate developments to encourage proper recycling activities.

In our day-to-day operations, we have also initiated internal actions that contribute to emissions reduction, we are also looking to develop a baseline inventory for GHG emissions across Scope 1 and 2 in 2023. Some of our current actions include:

- Encouraging contractors to minimize the carbon impact of construction processes and activities, through:
    - Sourcing local materials to reduce transportation emissions.
    - Maximizing the efficient planning of machinery across projects and portfolios.
    - Considering the installation of renewable energy on-site for use during the construction phase.
    - Education and enforcement of policies on procurement requirements for low or reduced carbon materials.
    - Use of an Independent Power Provider with sustainable and renewable energy generation alternatives to reduce the number of generators within developments.
    - Require our contractors to provide carbon data for materials used on-site.
    - Discourage contractors from burning waste materials on site.
    - Make use of a collaboration platform that enables us to share project information electronically and not rely on paper-based workflows.
    - Encouraging virtual meetings over physical meetings to reduce transportation emissions.

Green Buildings

UPDC is committed to being a partner and driver for the buildings of the future, part of this strategy would require using smart and innovative solutions to reduce environmental impacts from developments. We plan to align our business strategy to improving energy efficiency, water conservation, materials and resources, and indoor environmental quality. We will look to incorporate these principles into all of our building projects, from new construction to renovation and retrofitting.

A key area of this strategy would be improving energy efficiency by using state-of-the-art technologies and building systems, such as high-efficiency HVAC systems, LED lighting, and renewable energy sources like solar and geothermal. We will also explore the use of advanced building automation and monitoring systems to optimize energy consumption and reduce waste.

We will also look to obtain third-party certifications, such as LEED and WELL, to validate our sustainability performance and outcomes.

Energy

Energy is a critical component of sustainability, and at UPDC we are looking forward to being a key driver for the sustainable energy transition. The global energy landscape is rapidly changing, with a growing focus on renewable energy and sustainable development.

In Nigeria, there is a growing focus on sustainable energy and the adoption of clean energy technologies. According to the Nigerian National Bureau of Statistics, renewable energy sources accounted for 10.23% of the total energy generated in Nigeria in 2020, up from 8.96% in 2019. The Nigerian government has also launched several initiatives to promote renewable energy, including the Renewable Energy and Energy Efficiency Policy, which aims to increase the share of renewable energy in the national energy mix to 30% by 2030. These policies underline an opportunity to be a part of the change from not only the demand side but also in influencing the early adoption of renewable energy sources through our energy design choices across our developments. We believe that transitioning to sustainable energy is essential for promoting environmental sustainability and reducing the impact of climate change.

Waste Management

Our approach to waste focuses on waste reduction, waste diversion, and responsible disposal. We prioritize waste reduction by designing products and processes that minimize waste generation, as well as by promoting a culture of sustainability and waste consciousness among our employees, contractors and stakeholders.

We plan to develop robust recycling programs for materials like paper, plastics, and metals, as well as composting programs for organic waste to reduce the waste that goes to landfill. We work with certified and reputable waste disposal partners who follow all relevant environmental and safety regulations to ensure that waste is disposed of responsibly and with minimal impact on the environment.

Biodiversity

We believe that promoting biodiversity conservation is essential for achieving our sustainability goals and for ensuring a healthy and sustainable environment for future generations. UPDC is dedicated to preserving environmental ecosystems and as such avoids the purchase of lands where the natural habitat of species would be unnecessarily compromised or disturbed and if purchased, ensure the wildlife are property relocated to a new and safe location or adapted into the proposed new ecosystem. We support restoration efforts through the restoration of degraded habitats, the creation of new habitats, and the use of sustainable land management practices that promote ecosystem health and function.

Water Use

Water conservation is a critical component for achieving greener buildings. We are actively working on developing operational strategies that incorporate water-efficient fixtures and technologies like low-flow toilets, showers, and faucets, as well as rainwater harvesting and water reuse systems, into our building designs. We also prioritize landscaping and irrigation practices that minimize water use and reduce runoff.

Social Responsibility - Commitment, Targets and Ambitions

UPDC has maintained its position as an advocate for the creation of sustainable living since its inception and this is cascaded through its approach to social responsibility. Our social sustainability program reflects our commitment to creating spaces that are safe, healthy, and supportive of diverse communities, and to promoting social equity and wellbeing in all aspects of our operations. We understand that our success is dependent on our people and their contributions.

We are committed to fostering a positive work environment based on respect for human rights, valuing diversity and having zero tolerance for workplace discrimination, violence or harassment with avenues for personal growth for our employees.

We also commit to operating with leading health and safety practices to meet our targets of a zero-incident workplace.

Employee Relations

We believe that building a productive and safe working environment is the foundation for good employee relations. Our approach hinges on providing employees benefits, competitive compensation, health and wellness perks to ensure they remain engaged and retain personal pride in working at UPDC.

We have established engagement channels to source inputs from employees on how to be a good place to work, these actions coupled with our existing benefits package which includes medical insurance, paternity and maternity leave days, physical and mental wellbeing support, housing allowances, pensions and 13th month bonus payment enable us to maintain an environment of employees that feel valued.

We proactively recruit people who are aligned with our culture and have the potential to grow and develop within the company. This includes ensuring diverse representation and merit-based recruitment processes as well as in progression in promotions within the company.

Every year we review our employee benefits to ensure that we are delivering the best offerings. With the established transition to a hybrid workplace in the global environment, we continue to offer opportunities for remote and flexible working options to improve the goal of work-life balance for all employees.

Diversity and Inclusion

UPDC's corporate culture is built on a focus on diversity and inclusion that reinforces collaboration and strengthens our ability to develop our people, maintain an engaged workforce and create value for our investors.

Our approach to diversity and inclusion has been deliberate and is integrated into our human capital development processes and initiatives.

Diversity in Recruitment

UPDC is an equal opportunity employer and executes all recruitment exercises in line with the approved needs of the business. UPDC adopts talent management strategies that encourage diversity and fairness. The talent management process ensures that all candidates are treated as clients who deserve high standards of service, professionalism and excellence.

Discrimination of any form is prohibited at UPDC and is also in line with laid down constitutions of the Federal Republic of Nigeria. Employment, training and career development are all based on merit, not on gender, race, ethnicity, tribe, religion or creed in compliance with constitutional provisions.

Women in Leadership

In 2022 we continued to record a healthy percentage of women in our senior leadership team. This is in alignment with our initiatives to empower women across our business functions and ensure a healthy view on gender diversity as it pertains to building a productive workforce.

Training and Development

At UPDC, we value our people and the wealth of experience they bring to our success , we look to their long-term success by seeking opportunities for them to grow and develop professionally. This reinforces strong succession and ensures that we maintain an engaged workforce.

UPDC's objective is to assist and encourage every employee to develop to their full potential, the Company provides learning opportunities for all employees. Individual development plans are tailored based on the needs of the employee and the business. We also implement hybrid approaches to job training methods including coaching, mentoring, project work, e-learning and job rotations.

We provide training for people leaders on how to assess their team members, mitigate the impact of bias in their assessments and provide constructive feedback that is clear and focused on development.

Training Plan

A training plan is developed each year for all employees based on competency gaps identified during performance management initiatives.

Performance Management

Employee performance is monitored through the year. KPIs are set at the beginning of the year for all employees and are monitored through regular check in sessions with line managers, Mid-Year appraisal and End of year appraisals.

	2022	2021	2020
Number of employees trained	• 49	• 63	• 35
Training hours per employee and for the entire organization	• 16 hours per employee	• 13 hours per employee • 870 hours for the entire organization	• 11.14 hours per employee • 390 hours for the entire organization

Table 4: Training Hours

Health and Safety

Health and safety is a top priority at UPDC. We are committed to ensuring the safety and well-being of our employees, contractors, and customers. Our goal is to provide a safe and healthy work environment that promotes physical, mental, and emotional well-being.

To achieve this, we have implemented a comprehensive health and safety management system that aligns with international standards and best practices. This system covers all aspects of our operations, from risk assessments and hazard identification to incident reporting and emergency response. We have also established a health and safety committee comprising of representatives from various departments and functions, which meets regularly to review our health and safety performance and identify opportunities for improvement. This committee is responsible for developing policies, procedures, and guidelines to ensure that all employees are aware of their roles and responsibilities in maintaining a safe workplace.

In addition, we provide regular training and education to our employees on health and safety matters, including the proper use of personal protective equipment, emergency response, and workplace ergonomics. We also encourage our employees to report any health and safety concerns or incidents promptly, and we investigate all incidents to identify their root causes and prevent future occurrences. We measure our health and safety performance using a range of key performance indicators, including the number of incidents, near misses, and lost time injuries. We also benchmark our performance against industry standards and best practices to ensure that we are continually improving our health and safety performance.

At UPDC, we believe that a safe and healthy workplace is fundamental to our business success and as such we are aligned to the ISO 45001 standard for Occupational Health and Safety (OHS) and Health and safety regulations provided by the Nigerian government. Our Health and safety policies and procedures apply not only to employees, but also to contractors and subcontractors and take into consideration the protection of the surrounding community. Our objective is to have zero serious safety incidents by working toward implementing consistent health and safety principles across the organization.

	2022	2021	2020	2019
Number of fatalities	0	0	0	0

Table 5: Health and Safety Highlights

Fair Labor Practices

We strive to minimize any negative impacts on communities where we operate and promote positive relationships based on respect, trust, and mutual benefit. In our supply chain, we conduct due diligence to identify and address any potential risks of human rights abuses, including forced labor, child labor, and human trafficking. We work with our suppliers and partners to implement responsible sourcing practices and to promote fair and safe working conditions throughout our supply chain.

Human Rights

UPDC is committed to respecting and promoting human rights in all aspects of our business. We believe that human rights are universal, and we acknowledge our responsibility to respect the human rights of all individuals, including our employees, customers, suppliers, and communities where we operate.

Our human rights approach is guided by the United Nations Global Compact's ten principles, including the principles on human rights, labor, environment, and anti-corruption. We are committed to upholding these principles in our operations, and we expect our suppliers and partners to adhere to the same standards. We respect the rights of our employees to freedom of association, collective bargaining, and fair and equitable treatment. We do not tolerate any form of discrimination or harassment in the workplace, and we provide our employees with equal opportunities for development and advancement.

Customer Engagement

We value our customers and their feedback, and we strive to build long-term relationships based on transparency and effective communication.

Engaging with our customers allows us to develop a better understanding of our operating environment and allows us to make any necessary pivots to achieve the shared objectives of UPDC and our customers. Insights from customers feed into our business strategy and inform our decisions on new builds, experience improvements and innovation.

Cybersecurity

We recognize the critical importance of cybersecurity and data privacy in today's digital age. We are committed to protecting the confidentiality, integrity, and availability of our information assets, as well as the privacy and personal data of our customers and stakeholders.

As part of our sustainability commitments and in line with GRI's guidance on data privacy, we regularly assess and manage the risks to our information assets, including the risks of cyber threats, data breaches, and privacy violations.

We have implemented technical and organizational measures to safeguard our systems, networks, and applications, and we provide regular training and awareness programs to our employees on cybersecurity and data privacy. We also respect the privacy and personal data of our customers and stakeholders. We comply with all relevant data protection laws and regulations, including the General Data Protection Regulation (GDPR).

GRI Index

UPDC has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

The index below specifies each of the GRI and NGX Standards used and lists all disclosures included in the report.

GRI Section	Disclosure Description	Report Alignment	NGX Disclosure Alignment
GRI 100: Universal Standards	**102**: General Disclosures	0.1 About the report 0.2 Scope and Boundary 0.3 First time reporter 0.4 CEO's statement 0.5 Organizational profile	The entirety of our report is aligned to the overarching expectation of Corporate Governance disclosures covered in the intention of the Nigerian Exchange (NGX) Sustainability Disclosure Guidelines
	103: Management approach	1.1 Sustainability Governance	**Principle 3**: Businesses should provide products and services that are safe and contribute to sustainability throughout their life cycle. **Principle 4**: Businesses should engage with and provide value to their customers and consumers in a responsible manner. **Principle 6:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

GRI Section	Disclosure Description	Report Alignment	NGX Disclosure Alignment
GRI 200: Economic Disclosures	201: Economic Performance	0.5 Organizational Profile	
	205: Anti-corruption	1.6 Ethics and Anti-corruption	Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
GRI 300: Environmental Disclosures	302: Energy	2.4 Green Buildings	Principle 9: Business should respect, protect, and make efforts to restore the environment.
	303: Water and Effluents	2.7 Water use	
	305: Emissions	2.2 Climate action and Emissions reduction	
	306: Waste	2.5 Waste management	
GRI 400: Social Disclosures	GRI 402: Labor/Management Relations	3.2 Employee relations	Principle 5: Businesses should promote the wellbeing of all employees.
	GRI 403: Occupational Health and Safety	3.5 Occupational Health and Safety	
	GRI 404: Training and Education	3.4 Training and Development	
	GRI 405: Diversity and Equal Opportunity	3.3 Diversity and Inclusion	Principle 8: Businesses should support inclusive growth and equitable development.
	GRI 406: Non-discrimination	3.6 Fair Labor practices	
	GRI 408: Child Labor	3.6 Fair Labor practices	
	GRI 409: Forced or Compulsory Labor	3.6 Fair Labor practices	
	GRI 412: Human Rights Assessment	3.7 Human Rights	Principle 7: Businesses should respect and promote human rights.
	GRI 413: Local Communities	3.9 Community development and engagement	
	GRI Cybersecurity and Data Privacy PRIV1, PRIV2, PRIV3) and Cybersecurity (IS1, IS2, IS3).	3.9 Cybersecurity	

ANNEXURE 1

S/N	CLAUSES	AMENDMENT PROPOSED	NEW PROVISION/ LANGUAGE
1	Clause 2	To include definition of electronic form	"electronic form" shall mean: **"electronic form" shall mean:** **(i) documents or information sent or supplied by electronic means for example by email or software by other means while in an electronic form (for example sending disk by post), and references to electronic copy shall have a corresponding meaning. A document or information is sent or supplied by electronic means if it is sent initially and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data and entirely transmitted, conveyed and received by wire, by radio, by optical means or by electromagnetic means; references to electronic means shall have a corresponding meaning;** **(ii) a document or information authorized or requested to be sent or supplied in an electronic form must be sent or supplied in a form and by a means the sender or supplier reasonably considers will enable the recipient to read and retain a copy of it; and for this purpose, a document or information can be read only if it can be read with the naked eye, or to the extent that it connotes images (for example photographs, pictures, maps, plans or drawings) it can be seen with the naked eyes;**
2	Clause 15	Update to refer to electronic certificates.	The following text will be inserted after "thereon" on the last line. **"except where the transfer or issuance was effected electronically through the Central Securities Clearing System."**
3	Clause 21	To be amended to include electronic instrument of transfer	Subject to such of the restrictions of these Clauses as may be applicable, any Member may transfer all or any of his Shares by instrument in writing **or by electronic instrument of transfer** and in the usual common form or any other form which the Directors may approve, and unless and until otherwise provided by statute such transfer shall be signed by or on behalf of transferor and transferee. Provided that the transferor shall be deemed to remain a holder of the shares until the name of the transferee is entered in the register of members in respect thereof, and no fee shall be payable in respect of the registration of any transfer.

S/N	CLAUSES	AMENDMENT PROPOSED	NEW PROVISION/ LANGUAGE
4	Clause 39	Amend clause 39 to have paragraph b.	a. A General Meeting to be known as the Annual General Meeting shall be held once in every calendar year at such time (not being more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. b. **The Annual General Meeting or any other General Meeting of the Company may be held virtually by means of a tele-conference, video-conference or other electronic/virtual communication means, which allows all those participating in the meeting to hear and speak to one another.** **Any Member so participating shall be counted as present in person at such meeting for the purposes of quorum and attendance and shall be entitled to vote at such meeting via any electronic/virtual channel provided by the Company.**
5	Clause 43	Insert Paragraph (3) to provide for notice by electronic email.	**In addition to the notice given personally or by post, notice may be given by electronic mail to any member who has provided the Company an electronic mail address.**
6	Clause 51 (b)	To update the provision to recognize electronic voting.	"By at least three (3) Members **entitled to vote by show of hands or by electronic voting** at such meeting present in person or by proxy; or"
7	Clause 113	To be amended to include provision for sending notices by email.	A notice (which expression for the purposes of these Clauses shall be deemed to include, and shall include, any summons, notice, process, order, judgment or any other document in relation to, or in the winding up of, the Company) may be given by the Company to any Member either personally or by sending it by post to him at his registered addresses **or by sending it to an email provided to the Company by any member**. In the case of a member having a registered address outside Nigeria it shall be given by airmail or by telegram, telex, radiogram or cable to him at his registered address.
8	General		All references to the provisions of CAMA Cap 2004 LFN 2004 and Decree be amended to refer to equivalent provisions in CAMA 2020.

Shareholders Information

Range Analysis As At 31st December 2022

Range			No of Holders	Holder %	Holders Cum	Units	Units %	Units Cum
5,001	-	5,000	21,421	75.34	21,421	34,986,566	0.19	34,986,566
50,001	-	10,000	2,990	10.52	24,411	21,059,881	0.11	56,046,447
10,001	-	50,000	2,716	9.55	27,127	59,069,800	0.32	115,116,247
50,001	-	100,000	536	1.89	27,663	39,152,035	0.21	154,268,282
100,001	-	500,000	549	1.93	28,212	118,242,279	0.64	272,510,561
500,001	-	1,000,000	105	0.37	28,317	78,635,646	0.42	351,146,207
1,000,00	-	10,000,000	106	0.37	28,423	268,561,052	1.45	619,707,259
10,000,001	-	5,000,000,000	9	0.03	28,432	851,034,820	4.59	1,470,742,079
5,000,000,001	-	ABOVE	2	0.01	28,434	17,089,227,857	92.08	18,559,969,936
			28,434	**100.00**		**18,559,969,936**	**100.00**	

Five Year Share Price History

Year	Last Trading Day	Closing Share Price (N)	% Inc/(Dec) Over Preceding Year
2018	December 31, 2018	1.91	(31.5%)
2019	December 31, 2019	1.00	(47.6%)
2020	December 31, 2020	0.79	(21%)
2021	December 31, 2021	1.19	51%
2022	December 31, 2022	0.91	(23%)

Five Year Dividend History

Dividend Number	Reporting Period	Closure Date	Dividend Per Share	Dividend Total (N)
Nil	2017 Accounting Year	Not Applicable	Nil	Nil
Nil	2018 Accounting Year	Not Applicable	Nil	Nil
NIl	2019 Accounting Year	Not Applicable	Nil	Nil
NIl	2020 Accounting Year	Not Applicable	Nil	Nil
NIl	2021 Accounting Year	Not Applicable	Nil	Nil

Unclaimed Dividend as at December 31, 2022

Div. No	Year	Amount Unclaimed (N)
13	2011	8,602,450.68
14	2012	1,533,341.70
15	2013	11,231,081.30
16	2014	133,613,758.72
17	2015	43,490,977.17

PROXY FORM

UPDC PLC

RC 321582

Annual General Meeting of UPDC Plc to be held on Thursday, 18th May 2023 at Arthur Mbanefo Hall, Festival Hotel, Festac Town, Lagos at 11am

I/We ____

____

(Name of Shareholder(s) in block letters)

Being a member/members of UPDC PLC, hereby appoint

____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 18th May 2023 at 11am and at any adjournment thereof. Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Dated this ________ day of ___________________________ 2023

Shareholder's signature: ___________________________________

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS AND IS TO BE USED AT THE ANNUAL GENERAL MEETING TO BE HELD ON 18TH MAY 2023

ORDINARY BUSINESS		FOR	AGAINST	ABSTAIN
1	To elect the following Director:			
	Ms Bidemi Fadayomi			
2	To re-elect the following Directors retiring by rotation: Mr. Oluwole Oshin Mr Adeniyi Falade			
3	To authorise the Directors to fix the remuneration of the Auditors			
4	To elect members of the Statutory Audit Committee			
SPECIAL BUSINESS				
6	To approve the Directors' remuneration for 2023.			
7	To approve Capital Raise.			
8	To approve the amendment of Articles of Association.			

Please indicate, by marking 'X' in the appropriate space, how you wish your votes to be cast on the resolutions set out above.

NOTES

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

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

3. Please fill, date and sign this form, and deliver or post to the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos. You can also send the form via email to cxc@africaprudential.com not later than 48 hours before the meeting.

4. If executed by a corporation, the proxy form should be sealed with the Common Seal or signed.

5. The proxy must produce the Admission form sent with the Report and Accounts to obtain entrance to the Meeting.

6. The proxy form should not be completed and sent to the address if the member will be attending the meeting in person

ADMISSION FORM

UPDC PLC

Annual General Meeting Admission Card

Please admit

to the Annual General Meeting of UPDC PLC which will be held at Arthur Mbanefo Hall, Festival Hotel, Festac Lagos on 18th May 2023 at 11am.

IMPORTANT NOTICE:

1. This admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
2. Shareholders or their proxies are requested to sign the admission card in the appropriate place before attending the Meeting

FOLAKE KALARO (MRS.)
COMPANY SECRETARY

UPDC PLC

Annual General Meeting Admission Card

Name and Address of Shareholder:

Signature of person attending ____

SHAREHOLDER ____

PROXY ____

Africa Prudential
RC 649007

Affix
Recent Passport
Photograph

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

DECLARATION

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

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

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

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA CEMENT PLC
10. BUA FOODS PLC
11. BENUE STATE GOVERNMENT BOND
12. CAP PLC
13. CAPPA AND D'ALBERTO PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CORDROS MONEY MARKET FUND
17. EBONYI STATE GOVERNMENT BOND
18. GOLDEN CAPITAL PLC
19. INFINITY TRUST MORTGAGE BANK PLC
20. INVESTMENT & ALLIED ASSURANCE PLC
21. JAIZ BANK PLC
22. KADUNA STATE GOVERNMENT BOND
23. LAGOS BUILDING INVESTMENT CO. PLC
24. GLOBAL SPECTRUM ENERGY SERVICES PLC
25. MED-VIEW AIRLINE PLC
26. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
27. NEXANS KABLEMETAL NIG. PLC
28. LIVINGTRUST MORTGAGE BANK
29. PERSONAL TRUST & SAVINGS LTD
30. P.S MANDRIDES PLC
31. PORTLAND PAINTS & PRODUCTS NIG. PLC
32. PREMIER BREWERIES PLC
33. RESORT SAVINGS & LOANS PLC
34. ROADS NIGERIA PLC
35. SCOA NIGERIA PLC
36. TRANSCORP HOTELS PLC
37. TRANSCORP PLC
38. TOWER BOND
39. THE LA CASERA CORPORATE BOND
40. UACN PLC
41. UNITED BANK FOR AFRICA PLC
42. UNITED CAPITAL PLC
43. UNITED CAPITAL BALANCED FUND
44. UNITED CAPITAL BOND FUND
45. UNITED CAPITAL EQUITY FUND
46. UNITED CAPITAL MONEY MARKET FUND
47. UNITED CAPITAL NIGERIAN EUROBOND FUND
48. UNITED CAPITAL WEALTH FOR WOMEN FUND
49. UNIC DIVERSIFIED HOLDINGS PLC
50. UNIC INSURANCE PLC
51. UAC PROPERTY DEVELOPMENT COMPANY PLC
52. UTC NIGERIA PLC
53. VFD GROUP PLC
54. WEST AFRICAN GLASS IND PLC

OTHERS:

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PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

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Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY
NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ____________ **"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: ____________
Surname *First Name* *Middle Name*

ADDRESS: ____________

GSM NUMBER: ____________ **E-MAIL:** ____________

GENDER: Male ☐ Female ☐ **DATE OF BIRTH:** D D M M Y Y Y Y **CSCS INVESTOR'S A/C NO.:** ____________

CLEARING HOUSE NUMBER(CHN): C ____________ **REGISTRAR'S ID NO (RIN):** ____________

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ____________ **BANK:** ____________

BANK A/C NUMBER: ____________ *Must be NUBAN* **BVN:** ____________ *Must be confirmed by bank* **AGE OF A/C:** *DD MM YYYY* *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*

Authorized Signature (2) *(and stamp of Stockbroker)*

Shareholder's Signature & Date

Shareholder's Signature & Date (2) *(if applicable)*

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ____ day of ____, 20 ____

Name: ____________

Signature: ____________

Joint (2) (if applicable): ____________

Joint (3) (if applicable): ____________

Company Seal

In the Presence of:

Name: ____________ **GSM NO:** ____________

Address: ____________ **Signature:** ____________

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of ____________ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Authorised Signatory (1): ____________ **Authorised Signatory (2):** ____________

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
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RC 649007

SHARE PORTAL APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

* = **Compulsory fields**

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. *E-MAIL:
5. ALTERNATE E-MAIL:
6. *MOBILE NO.: 1. 2.
7. SEX: MALE FEMALE
8. *DATE OF BIRTH D D M M Y Y Y Y
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: C
11. NAME OF STOCKBROKER:

DECLARATION

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

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

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

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6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
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36. SCOA NIGERIA PLC
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RC 649007

E-SERVICE/DATA UPDATE FORM

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

1. *SURNAME/COMPANY NAME
2. *FIRST NAME
3. OTHER NAME
4. *GENDER M F
5. E-MAIL
6. ALTERNATE E-MAIL
7. *DATE OF BIRTH D D M M Y Y Y Y
8. *MOBILE (1) (2)
9. *ADDRESS
10. OLD ADDRESS *(if any)*
11. *NATIONALITY
12. *OCCUPATION
13. *NEXT OF KIN NAME MOBILE
14. *MOTHER'S MAIDEN NAME
15. BANK NAME
16. A/C NO.
17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y
19. BANK VERIFICATION NO. (BVN)
20. NAME OF STOCKBROKING FIRM
21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

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

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(A member of Custodian Investment Plc)

UAC HOUSE
1-5 Odunlami Street, P.O. Box 156, Lagos