

**Unaudited Financial Statements
for the Period ended
30 June 2026 (H1 2026)**

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UPDC Plc
Financial Statements
For the period ended 30 June 2026
Financial Highlights

	The Group			The Company		
	2026 N'000	2025 N'000	% Change	2026 N'000	2025 N'000	% Change
Revenue	8,012,582	6,431,707	25	1,207,483	633,047	91
Operating profit/(loss)	893,317	1,109,640	(19)	(21,016)	(278,764)	(92)
Net finance Income	555,318	800,799	(31)	(329,168)	99,104	(432)
Profit /(loss) before taxation	1,448,635	1,910,438	(24)	(350,184)	(179,661)	95
Taxation	(433,154)	(701,225)	38	(19,876)	(3,165)	(528)
Total comprehensive profit/(loss) for the period	1,395,709	1,382,651	1	10,168	(9,388)	(208)
Total Equity	12,661,678	11,451,569	11	848,595	1,024,027	(17)
Total equity and liabilities	25,484,435	29,989,374	(15)	14,112,019	13,327,167	6
Cash and Cash equivalents	8,591,278	10,197,862	(16)	3,964,478	1,612,225	146
Basic Earnings Per Share (Kobo)	5	7	(16)	(2)	(1)	102
NSE quotation as at June 30 (kobo)	320	159	101	320	159	101
Number of shares in issue ('000)	18,559,970	18,559,970		18,559,970	18,559,970	
Market capitalisation as at June 30 (N'000)	59,391,904	29,510,352		59,391,904	29,510,352	

UPDC Plc
Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2026

	Notes	The Group				The Company			
		3 Months ended 30 June 2026 N'000	3 Months ended 30 June 2025 N'000	6 Months ended 30 June 2026 N'000	6 Months ended 30 June 2025 N'000	3 Months ended 30 June 2026 N'000	3 Months ended June 2025 N'000	6 Months ended 30 June 2026 N'000	6 Months ended June 2025 N'000
Revenue	5	5,352,958	4,250,655	8,012,582	6,431,707	839,958	270,642	1,207,483	633,047
Cost of sales	7(i)	(4,030,654)	(2,760,627)	(5,853,688)	(4,139,243)	(314,987)	(102,417)	(496,586)	(297,400)
Gross profit		1,322,304	1,490,028	2,158,894	2,292,464	524,971	168,225	710,897	335,647
Selling and distribution expenses	7 (ii)	(63,839)	(25,505)	(110,894)	(88,243)	(28,431)	(48,251)	(67,459)	(69,725)
Administrative expenses	7 (iii)	(676,151)	(805,082)	(1,355,757)	(1,285,054)	(322,330)	(396,496)	(695,176)	(619,789)
Other Operating income	6	95,805	108,050	207,075	196,474	15,387	47,232	30,722	75,103
Credit loss expenses	9	(3,000)	(3,000)	(6,000)	(6,000)	-	-	-	-
Operating profit/(loss)		675,119	764,491	893,317	1,109,640	189,597	(229,290)	(21,016)	(278,764)
Finance income	8	343,315	558,450	717,866	1,052,024	163,288	141,381	200,340	350,329
Finance cost	8	(73,108)	(117,061)	(162,548)	(251,225)	(268,069)	(117,061)	(529,508)	(251,225)
Net finance income		270,207	441,389	555,318	800,799	(104,781)	24,320	(329,168)	99,104
Profit/(loss) before taxation		945,326	1,205,879	1,448,635	1,910,438	84,816	(204,970)	(350,184)	(179,661)
Taxation	10	(332,492)	(478,404)	(433,154)	(701,225)	(9,938)	(1,353)	(19,876)	(3,165)
Profit/(loss) after Taxation		612,834	727,475	1,015,481	1,209,213	74,878	(206,323)	(370,060)	(182,826)
Other comprehensive income:									
Net changes in fair value (loss)/gain on financial assets	16	366,887	173,438	380,228	173,438	366,887	173,438	380,228	173,438
Total comprehensive profit/(loss) for the period		366,887	900,912	1,395,709	1,382,651	441,765	(32,885)	10,168	(9,388)
Profit/(loss) attributable to:									
Equity holders of the parent		67,249	1,811,773	352,898	1,903,839	74,878	(206,323)	(370,060)	(182,826)
Non controlling interest		299,638	(910,859)	662,583	(694,626)	-	-	-	-
Total profit		366,887	900,913	1,015,481	1,209,212	74,878	(206,323)	(370,060)	(182,826)
Total comprehensive profit attributable to:									
Equity holders of the parent		67,249	1,811,773	733,127	2,077,276	441,765	(32,885)	10,168	(9,388)
Non controlling interests*		299,638	(910,859)	662,583	(694,626)	-	-	-	-
Total comprehensive profit attributable to:		366,887	900,914	1,395,709	1,382,651	441,765	(32,885)	10,168	(9,388)
From continuing operations			10	5	7		(0)	(2)	(1)
Diluted Profit Per Share (Kobo)									
From continuing operations		-	10	5	7		(0)	(2)	(1)

The accompanying notes and accounting policies on pages 8 to 32 form an integral part of these consolidated and separate financial statements.

UPDC Plc
Consolidated and Separate Statement of Financial Position
As at June 30 2026

		The Group		The Company	
		30 June 2026	31 Dec 2025	30 June 2026	31 Dec 2025
	Notes	N'000	N'000	N'000	N'000
Assets					
Non-current assets					
Property, plant and equipment	13	8,358,235	8,450,096	221,251	240,213
Intangible assets	14	75,908	74,680	1,915	3,056
Investments in joint ventures	15	112,182	112,182	111,378	111,378
Equity instrument at fair value	16	1,300,782	920,552	1,300,782	920,552
Investments in subsidiaries	17	-	-	1,617,207	1,617,207
		9,847,107	9,557,510	3,252,533	2,892,407
Current assets					
Inventories	18	1,249,195	3,219,099	891,739	888,905
Trade and other receivables	19	5,469,729	6,687,775	5,791,917	7,722,279
Current tax assets	10 (i)	327,127	327,127	211,350	211,350
Cash and cash equivalents	20	8,591,278	10,197,862	3,964,478	1,612,225
		15,637,329	20,431,863	10,859,484	10,434,759
Total assets		25,484,435	29,989,374	14,112,019	13,327,167
Equity					
Share capital	25	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	25 (i)	8,971,551	8,971,551	8,971,551	8,971,551
Fair value reserve of financial assets at FVOCI	25 (iii)	613,569	233,341	613,569	233,341
Retained earnings	25 (ii)	(8,192,569)	(8,359,868)	(18,016,510)	(17,460,850)
Equity attributable to equity holders of the Company		10,672,536	10,125,009	848,595	1,024,027
Non controlling interest		1,989,142	1,326,560	-	-
Total equity		12,661,678	11,451,569	848,595	1,024,027
Liabilities					
Non-current liabilities					
Interest bearing Loans and Borrowings	21	1,511,370	2,015,168	5,511,370	5,502,925
Deferred taxation liabilities	24	207,144	207,144	192,743	192,743
		1,718,514	2,222,312	5,704,113	5,695,668
Current liabilities					
Trade and other payables	22	10,321,948	14,965,201	6,981,298	6,381,786
Current income tax liabilities	10	721,579	1,271,255	91,092	87,406
Interest bearing Loans and Borrowings	21	60,716	79,038	486,921	138,282
		11,104,243	16,315,494	7,559,311	6,607,473
Total liabilities		12,822,757	18,537,806	13,263,424	12,303,141
Total equity and liabilities		25,484,435	29,989,374	14,112,019	13,327,167

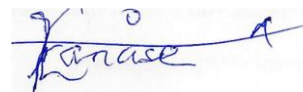
The Consolidated and Separate financial statements were approved by the board of directors on 23rd July 2026 and signed on its behalf by:



Wole Oshin
Chairman
FRC/2013/PRO/FORM CO7/003/00000003054



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



Francis Falola
Chief Financial Officer
FRC/2025/PRO/ICAN/001/105473

UPDC Plc
Consolidated Statement of Cash Flows
For the period ended 30 June 2026

		The Group		The Company	
		2026	2025	2026	2025
	Notes	N'000	N'000	N'000	N'000
Profit before tax		1,448,635	3,245,396	(350,184)	(268,713)
Adjustment for non cash items:					
Depreciation	13	144,601	316,858	20,823	55,689
Amortization of intangible asset	14	7,668	8,666	1,141	2,414
Share of loss from investment in Joint Venture	6	-	7,959	-	7,959
Investment income	6	-	(62,678)	-	(62,678)
Finance cost	8	162,548	461,659	529,508	520,903
Finance income	8	(717,866)	(2,328,997)	(200,340)	(528,352)
Exchange gains	6	3,655	11,376	1,686	1,342
Withholding tax utilized for tax	10	-	-	-	-
		1,049,240	1,660,240	2,634	(271,436)
Changes in working capital:					
Decrease/(increase) in inventories	18	1,969,904	5,510,900	(2,834)	190,163
(Increase)/decrease in trade and other receivables	19	1,217,763	(5,357,736)	1,930,079	(5,188,494)
(Decrease)/increase in trade and other payables	22	(4,643,253)	(2,823,760)	599,512	503,494
Decrease in deferred revenue	25	-	-	-	-
Cash flow from operating activities		(406,345)	(1,010,356)	2,529,391	(4,766,272)
Tax paid	10	(982,831)	(443,112)	(16,190)	(10,127)
Net cash (outflow)/inflow from operating activities		(1,389,176)	(1,453,469)	2,513,201	(4,776,399)
Cash flow from investing activities					
Purchase of property, plant & equipment	13	(59,188)	(514,220)	(8,308)	(234,783)
Purchase of intangible asset	14	(8,897)	(27,044)	-	-
Proceed from disposal of property, plant & equipment		6,731	-	6,731	-
Dividend received	6	-	62,678	-	62,678
Investment in subsidiary	17	-	-	-	(20)
Interest received	8	717,866	2,328,997	200,340	528,352
Net cash flow from investing activities		656,512	1,850,412	198,762	356,227
Cash flow from financing activities					
Proceed from right issue		-	-	-	-
Repayment of borrowings	21	(503,798)	(1,007,606)	(503,798)	(1,007,606)
Addition to borrowing		-	-	512,243	3,487,757
Interest paid	21	(180,870)	(499,196)	(180,870)	(499,196)
Dividend paid		(185,600)	(185,600)	(185,600)	(185,600)
Net cash (outflows)/inflow from financing activities		(870,267)	(1,692,402)	(358,024)	1,795,355
Net increase in cash and cash equivalents		(1,602,931)	(1,295,458)	2,353,939	(2,624,818)
Effect of foreign exchange gains	6	(3,655)	(11,376)	(1,686)	(1,342)
Cash and cash equivalents at the beginning of the year	20	10,197,862	11,504,698	1,612,225	4,238,385
Cash and cash equivalents for the period	20	8,591,277	10,197,862	3,964,478	1,612,225

The accompanying notes and accounting policies on pages 8 to 32 form an integral part of these consolidated and separate financial statements.

UPDC Plc
Consolidated and Separate Statement of Changes in Equity
For the period ended 30 June 2026

	The Group					Non-Controlling	
	Attributable to owners of the Company						
	Share Capital N'000	Share Premium N'000	Retained earnings 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 2026	9,279,985	8,971,551	(8,359,868)	233,341	10,125,009	1,326,560	11,451,569
Profit for the year	-	-	352,898	-	352,898	662,583	1,015,481
Net changes in fair value of financial assets through other comprehensive income	-	-	-	380,228	380,228	-	380,228
Dividend paid	-	-	(185,600)	-	(185,600)	-	(185,600)
Balance at June 30 2026	9,279,985	8,971,551	(8,192,569)	613,569	10,672,536	1,989,142	12,661,678
Balance at 1 January 2025	9,279,985	8,971,551	(9,148,885)	100,060	9,202,711	282,842	9,485,553
Profit for the year	-	-	974,617	-	974,617	1,043,718	2,018,334
Dividend paid	-	-	(185,600)	-	(185,600)	-	(185,600)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	133,281	133,281	-	133,281
Balance at June 30 2025	9,279,985	8,971,551	(8,359,868)	233,341	10,125,009	1,326,560	11,451,569

	The Company				
	Attributable to owners of the Company				
	Share Capital N'000	Share Premium N'000	Revenue Reserve N'000	Fair value reserve of financial assets at FVOCI N'000	Total N'000
Balance at 1 January 2026	9,279,985	8,971,551	(17,460,850)	233,341	1,024,027
Dividend paid	-	-	(185,600)	-	(185,600)
Profit for the year	-	-	(370,060)	-	(370,060)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	380,228	380,228
Balance at June 30 2026	9,279,985	8,971,551	(18,016,510)	613,569	848,595
Balance at 1 January 2025	9,279,985	8,971,551	(16,966,787)	100,060	1,384,809
Profit for the year	-	-	(308,464)	-	(308,464)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	133,281	133,281
Dividend paid	-	-	(185,600)	-	(185,600)
Loan from equity holder*	-	-	-	-	-
Balance at June 30 2025	9,279,985	8,971,551	(17,460,850)	233,341	1,024,029

The accompanying notes and accounting policies on pages 8 to 32 form an integral part of these consolidated and separate financial statements.

- 1.** 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.

1.1 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.

1.2 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.

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

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

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

(All amounts are in Naira thousands unless otherwise stated)

2.1 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 2026. The Group and Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1.1 Standards issued but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates effective January 1, 2026

Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements and the aim of the amendments therefore is to improve the information companies provide about long-term debt with covenants.

- The nature and financial impacts of the currency not being exchangeable;
- The spot exchange rate used;
- The estimation process; and
- Risk to the company because the currency is not exchangeable

The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

Amendment to IAS 7 and IFRS accounting standards 17 (Supplier Finance Agreements)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.

The adoption of this amendment did not affect the group's previously reported financial results significantly, disclosures or accounting policies and did not impact the group's results materially upon transition.

2.1.2 Standards and interpretations issued/amended but not yet effected/effective

Other standards issued/amended by the IASB but yet to be effective are outlined below:

i **Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 financial instruments and IFRS 7 financial instruments: Disclosure effective January 1, 2026**

The amendments introduce an additional Solely Payments of Principal and Interest (SPPI) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an Environmental, Social, and Governance (ESG) target specified in the loan contract.

ii **IFRS 18 Presentation and Disclosure in Financial Statements effective January 1, 2027**

IFRS 18 replaces IAS 1 Presentation of Financial Statements. and IFRS 18 defines management performance measures (MPMs); these measures are currently commonly known as non-GAAP measures, alternative performance measures (APMs) or key performance indicators (KPIs). IFRS 18 affects all companies, bringing significant changes to how you present your income statement and what information you need to disclose, and making certain 'non-GAAP' measures part of your audited financial statements for the first time. You'll see three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

IFRS 18 reshapes how financial results are presented, introducing new mandated subtotals like operating profit, stricter classification of income and expenses, and audited disclosure of management-defined performance measures. It requires more detailed note disclosures and alignment across the profit or loss and cash flow statements. Although it does not change net profit, it must be applied retrospectively, meaning comparatives must be restated and internal reporting systems, chart of accounts, and controls must be updated to support the new structure.

To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes.

Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

iii **IFRS 19 Subsidiaries without Public Accountability: Disclosures effective January 1, 2027**

The IASB intends to update IFRS 19 on an ongoing basis as new or amended disclosure requirements in IFRS Accounting Standards are issued. Because of the timing of IFRS 19's publication, disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and May 2024 were included in IFRS 19 without reductions. The IASB issued a 'catch-up' exposure draft in July 2024 to consult on reducing the disclosure requirements for the relevant standards issued in this period, most notably IFRS 18 Presentation and Disclosure in Financial Statements.

iv **Other annual Improvements to IFRS Accounting Standards - Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7**

The IASB's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. Other amendments include derecognising lease liabilities. If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

However, the amendment does not address how to distinguish between derecognition and modification of a lease liability. The IASB has indicated that it may consider this issue as part of a future project.

2.2 Consolidation

(a) *Subsidiaries*

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

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

(c) Disposal of subsidiaries

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

(d) Associates and joint ventures

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

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

The Group and the Company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group and the Company's share of losses in an associate 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 the Company calculate the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the Profit or Loss.

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

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

(e) Joint arrangements

The Group has applied IFRS 11 to all joint arrangements as of 1 January 2013. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be both joint operations and joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture 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 the Company.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions. Please refer to note 5 for additional information.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

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

(c) Group companies

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

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

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

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

2.5 Property, plant and equipment

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

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

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

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

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

Lease terms vary from 5 to 99 years

Plant and Machinery

- | | |
|----------|--------------|
| a) Heavy | 5 to 7 years |
| b) Light | 3 to 5 years |

Motor Vehicles

- | | |
|------------------------|---------------|
| a) Commercial | 7 to 10 years |
| b) Passenger | 4 to 5 years |
| Furniture and Fittings | 3 to 5 years |
| Computer equipment | 3 to 5 years |

The useful lives, residual values and methods of depreciation are reassessed at the end of each reporting period and adjusted if necessary.

The depreciation on property, plant and equipment is recognised in profit or loss in the year in which it occurred. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised 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 derecognised 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 derecognised.

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;
- the expenditure attributable to the software product during its development can be reliably measured.

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

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

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

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

2.7 Investment properties

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

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

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

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

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

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

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

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

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

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

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

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

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

2.8 Impairment of non-financial assets

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

2.9 Financial Instruments-recognition and subsequent measurement

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

Financial Assets

Initial recognition

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

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

Other than equity instruments designated at fair value through other comprehensive income, 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 Company measures financial assets at amortised cost if both of the following conditions are met:

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

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

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

Derecognition

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

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

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

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

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

Impairment of financial assets

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

- Disclosures for significant assumptions Note 4.1b
- Trade receivables and other financial assets Note 19

The Group and Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (i.e. stage 1 - a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. stage 2 & 3 - a lifetime ECL).

Significant increase in credit risk

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

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

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

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

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

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

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

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

2.10 Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Trade and other payables

Trade payables classified as financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Other payables that are within the scope of IFRS 9 are subsequently measured at amortized cost.

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.

2.11 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.

2.12 Offsetting financial instruments

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

2.13 Borrowings

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

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

2.14 Inventories

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

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

- Historical cost (or fair valuation) of land
- Other costs of purchase (including taxes, transport - where applicable, handling, agency etc) net of discounts received
- Costs of production or conversion to homes, infrastructure & amenities (including fixed and variable construction overheads and the cost of services and consultants involved in the production process, projects management costs - including cost of supervision and internal projects management) and
- Other costs incurred in bringing the inventories to their present location and condition
- Capitalised borrowing costs in relation to qualifying assets

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 employees also contribute a minimum of 8% of his/her emoluments (i.e. basic, housing and transport allowances). The Company's contributions are recognised as employee benefit expenses when they are due. The Group and Company has no further payment obligation once the contributions have been paid.

Short-term benefits

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

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

Termination benefits

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

(b) Profit-sharing and bonus plans

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

2.21 Revenue from contracts with customers

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

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

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

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

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

Sale of goods - Sale of Property Stock

Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The normal credit term is 30 to 90 days upon transfer.

The Group and Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of property, the Group and Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Management surcharge income

Management surcharge income represents fees charged to customers for administrative, documentation, or estate management services associated with property sales. This includes documentation/processing fees, legal/administrative charges, estate infrastructure or service fees. Management surcharge income is recognised when the related performance obligation is satisfied, i.e., when the company transfers the related service to the customer.

Project or Facilities management services fee

The revenue generated by the company is primarily derived from the management of building properties both commercial and residential building properties. Commercial properties are properties constructed for business activities while Residential properties as described by the client are properties constructed for non-business activity motives. A "management fee" is charged on the estates for the services provided by the company. The management fee charged is a function of the total cost incurred by an estate for a particular month.

Business Management Fees

Business Management Fees are fees earned from provision of financial services support, legal support services, internal control & audit support services, Information Technology support services. The fee is earned and recognised at the point in time when the other party had enjoyed the services and invoice is raised to that effect.

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.

Cost of sales

Cost of sales represents the direct costs attributable to properties sold during the period. Cost of sales includes all costs directly related to the acquisition, development, and construction of properties sold, including land acquisition cost (purchase price, legal fees, title registration. Cost of sales is recognised in profit or loss when the related revenue is recognised, in accordance with IFRS 15. For completed property sales (point-in-time recognition). Cost is recognised when control of the property is transferred to the buyer i.e., handover or legal title transfer).

Other operating income

Other operating income represents income earned from activities that are incidental to the Company's core operations of property development and sale but arise from ordinary business activities. Other operating income is recognised in profit or loss when it is probable that economic benefits will flow to the Company and the amount can be measured reliably, in accordance with the relevant IFRS standards. Components of Other Operating Income include project supervision fees, commission from sales of third party properties, branding and other supervision fees.

3 Finance income and Finance cost

Finance income represents income earned from financial assets and financing activities, not from core property sales. Finance income is recognised using the effective interest rate (EIR) method, which allocates income over the relevant period to achieve a constant periodic return. Finance income includes interest income on Bank deposits, Call accounts and fixed deposits, Loans to staff. Finance costs represent costs incurred in obtaining financing for operations and property development. Finance costs are recognised using the effective interest rate method, except where capitalisation applies. Finance costs include Interest on Bank loans and overdrafts, Project financing facilities, and amortisation of loan transaction costs.

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.

Leases

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

Group and Company as a lessee

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

Right-of-use assets (ROU)

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

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

Short-term leases

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

Group and Company as a lessor

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

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.

4. Material accounting judgements, estimates and assumptions (Cont.)

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

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

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

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

Determining the timing of satisfaction of sales of property stock

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

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

b) 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.

c) 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 15 (ii). for details of write down in current year.

d) Deferred tax asset

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

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

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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 30 June 2026, 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		
	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
June 30 2026			
Total Revenue	7,319,880	692,702	8,012,582
Intergroup revenue	-	-	-
Revenue to third parties	7,319,880	692,702	8,012,582
Earnings before interest and tax	755,381	137,936	893,317
Profit before tax	1,310,699	137,936	1,448,635
Net current asset/(liability)	4,961,750	(428,664)	4,533,086
Property, plant and equipment	323,130	8,035,105	8,358,235

	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
June 30 2025			
Total Revenue	5,771,340	660,367	6,431,707
Intergroup revenue	-	-	-
Revenue to third parties	5,771,340	660,367	6,431,707
Earnings before interest and tax	1,365,875	(256,235)	1,109,640
Profit/(loss) before tax	2,166,673	(256,235)	1,910,438
Net current asset/(liability)	4,619,217	(905,806)	4,116,369
Property, plant and equipment	364,009	8,177,862	8,450,096

	The Company	
	Property development sales & management N'000	Total N'000
June 30 2026		
Total revenue	1,207,483	1,207,483
Intergroup revenue	-	-
Revenue from third parties	1,207,483	1,207,483
Loss before interest and tax	(21,016)	(21,016)
Loss before tax	(350,184)	(350,184)
Net current assets	3,300,173	3,300,173
Property, plant and equipment	221,251	221,251

	The Company	
	Property development sales & management N'000	Total N'000
June 30 2025		
Total revenue	633,047	633,047
Intergroup revenue	-	-
Revenue from third parties	633,047	633,047
Earnings before interest and tax	(278,764)	(278,764)
Earnings before tax	(179,661)	(179,661)
Net current assets	3,827,286	3,827,286
Property, plant and equipment	240,213	240,213

5. Segment Analysis - Continued

Entity wide information

	The Group		The Company	
	2026 N'000	2025 N'000	2026 N'000	2025 N'000
Analysis of revenue by category:				
UPDC Sale of Property Stock	-	433,200	-	433,200
Project Dev. Mgt Fees	-	-	92,544	-
Prperties/ Assets Management Fees-UAC	36,758	-	36,758	171,108
Development Mgt Fee Smart City	26,000	-	26,000	-
Prperties/ Assets Management Fees	78,630	-	78,630	-
Business Management Fees	28	33,047	973,552	28,739
	141,416	466,247	1,207,483	633,047
Grupo Atlanta Sale of Property Stock	6,490,158	4,633,321	-	-
UPDC Hotel Ltd. Revenue	692,702	660,367	-	-
UPDC Facility Mgt Ltd. Management Surcharge Income	688,305	671,772	-	-
Group	8,012,582	6,431,707	1,207,483	633,047
Analysis of revenue by geographical location:				
	N'000	N'000	N'000	N'000
Nigeria	8,012,582	6,431,707	1,207,483	633,047

5. (i). Revenue from contracts with customers

Disaggregated revenue information

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

The Group	For the period ended June 30 2026		
	Property Development Sales & Management	Hospitality Services	Total
	N'000	N'000	N'000
Type of goods or service			
Sale of Property Stock	6,490,158	-	6,490,158
Project/ Asset Management Fee	36,758	-	36,758
UPDC Hotel Ltd. Revenue	-	692,702	692,702
UPDC Facility Mgt Ltd. Management Surcharge Income	688,305	-	688,305
Revenue from contracts with customers	7,215,222	692,702	7,907,924
Rental	-	-	-
Total revenue	7,215,222	692,702	7,907,924

Geographical markets

Within Nigeria	7,215,222	692,702	7,907,924
Outside Nigeria	-	-	-
Total revenue from contracts with customers	7,215,222	692,702	7,907,924
Rental income	-	-	-
Total revenue	7,215,222	692,702	7,907,924

Timing of revenue recognition

Goods transferred at a point in time	6,490,158	-	6,490,158
Services transferred over time	725,064	692,702	1,417,766
Total revenue from contracts with customers	7,215,222	692,702	7,907,924
Rental income	-	-	-
Total revenue	7,215,222	692,702	7,907,924

The Group	For the period ended June 30 2025		
	Property Development Sales & Management	Hospitality Services	Total
	N'000	N'000	N'000
Type of goods or service			
Sale of Property Stock	5,066,521	-	5,066,521
Project/ Asset Management Fee	-	-	-
UPDC Hotel Ltd. Revenue	-	660,367	660,367
UPDC Facility Mgt Ltd. Management Surcharge Income	671,772	-	671,772
Revenue from contracts with customers	5,771,340	660,367	6,431,707
Rental income	-	-	-
Total revenue	5,771,340	660,367	6,431,707

Geographical markets

	N'000	N'000	N'000
Within Nigeria	5,771,340	660,367	6,431,707
Outside Nigeria	-	-	-
Total revenue from contracts with customers	5,771,340	660,367	6,431,707
Rental income	-	-	-
Total revenue	5,771,340	660,367	6,431,707

Timing of revenue recognition

Goods transferred at a point in time	5,099,568	-	5,099,568
Services transferred over time	671,772	660,367	1,332,140
Total revenue from contracts with customers	5,771,340	660,367	6,431,707
Rental income	-	-	-
Total revenue	5,771,340	660,367	6,431,707

The Company	For the period ended June 30 2026		
	Property Development Sales & Management	Hospitality Services	Total
	N'000	N'000	N'000
Type of goods or service			
Sale of Property Stock	-	-	-
Project/ Asset Management Fee	973,552	-	973,552
Revenue from contracts with customers	973,552	-	973,552
Rental income	36,758	-	36,758
Total revenue	1,010,310	-	1,010,310

Geographical markets

Within Nigeria	1,010,310	-	1,010,310
Outside Nigeria	-	-	-
Total revenue from contracts with customers	1,010,310	-	1,010,310
Rental income	-	-	-
Total revenue	1,010,310	-	1,010,310

Timing of revenue recognition

Goods transferred at a point in time	-	-	-
Services transferred over time	973,552	-	973,552
Total revenue from contracts with customers	973,552	-	973,552
Rental income	36,758	-	36,758
Total revenue	1,010,310	-	1,010,310

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The Company	For the period ended June 30 2025		
	Property Development Sales & Management	Hospitality Services	Total
Type of goods or service	N'000	N'000	N'000
Sale of Property Stock	433,200	-	433,200
Project/ Asset Management Fee	171,108	-	171,108
Revenue from contracts with customers	604,308	-	604,308
Rental income	-	-	-
Total revenue	604,308	-	604,308
Geographical markets			
Within Nigeria	604,308	-	604,308
Outside Nigeria	-	-	-
Total revenue from contracts with customers	604,308	-	604,308
Rental income	-	-	-
Total revenue	604,308	-	604,308
Timing of revenue recognition			
Goods transferred at a point in time	433,200	-	433,200
Services transferred over time	171,108	-	171,108
Total revenue from contracts with customers	604,308	-	604,308
Rental income	-	-	-
Total revenue	604,308	-	604,308

Performance obligations

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

Sale of property stock

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

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

	The Group		The Company	
	2026 N'000	2025 N'000	2026 N'000	2025 N'000
Contract balances				
Trade receivables - Note 19	227,484	670,784	46,933	43,662
Customers deposit liabilities - Note 22	2,863,507	3,975,707	2,635,104	2,082,038

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

In 2025, N1.2billion (Company: N0.8billion) was recognised as provision for expected credit losses on trade receivables (2024:N0.9billion for Group and N0.8billion for Company).

Customers deposit liabilities include advances received from customers in respect of sale of property stocks and facility management fees.

Disclosure requirements IFRS 15 - Performance Obligations

Quantitative

Information about performance obligations in contracts with customer, including a description of the following:	
- When the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service) including when performance obligations are satisfied in a bill-and-hold arrangement . - Significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained) - The nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (i.e., if the entity is acting as an agent) - Obligations for returns, refunds and other similar obligations - Types of warranties and related obligations	IFRS 15.119(a) IFRS 15.119(b) IFRS 15.119(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

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6. Other income	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
Dividend income	-	-	-	-
Legal, Transfer and title regularisation fees	29,699	76,337	29,699	76,337
Premium fee on rent to own scheme	-	-	-	-
Project supervision services to Deep Horizon Inv. Ltd.	-	-	-	-
Gain on disposal of PPE	2,709	-	2,709	-
Exchange (loss)/gain	(3,655)	(1,235)	(1,686)	(1,235)
Recovery on facility management*	133,339	-	-	-
Commission from sales of 3rd party properties	-	-	-	-
Branding and other supervision fee	-	-	-	-
Provision no longer required	0	-	-	-
Other sundry income	44,983	121,372	-	-
Total other income	207,075	196,474	30,722	75,103

Dividend income represents dividend received on investment in UPDC REIT.

Foreign exchange gain arises from foreign currency denominated bank balance at year end.

* Recovery on facility management primarily consists of compensations received for Customer Service Managers (CSMs) deployed to estates and other facilities. The determination of this revenue class is typically based on a percentage of the staff cost of the CSMs and is agreed upon on a case-by-case basis.

7. Expenses by nature	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
7.(i) Cost of sales				
Change in inventories of finished goods & other direct	4,940,736	3,813,836	-	88,938
Personnel expenses (Note 7b)	77,971	49,708	77,971	48,879
Directors' emoluments (Note 7b(i))	-	16,738	-	16,738
Agency Fees	64,956	125,877	-	9,760
Management fees	-	-	-	-
Other expenses	770,025	133,084	418,615	133,084
	5,853,688	4,139,243	496,586	297,400

7.(ii) Selling and distribution expenses				
Personnel expenses (Note 7b)	46,249	34,895	46,249	34,895
Marketing, advertising & communication	64,645	53,349	21,210	34,831
Others	-	-	-	-
	110,894	88,243	67,459	69,725

7.(iii) Administrative expenses	N'000	N'000	N'000	N'000
Property Maintenance expenses	33,205	14,430	33,205	14,430
Personnel expenses	525,166	469,461	258,384	236,193
Depreciation of Property, Plant & Equipment	135,088	138,670	20,823	19,661
Amortization of intangible asset (Note 14)	9,215	3,143	1,141	1,207
Rent and rates	9,041	10,817	7,304	7,430
Vehicles repairs, maintenance & fueling	16,686	28,179	11,973	21,900
Other repairs & maintenance	24,561	42,048	-	21,800
Legal expenses	6,029	3,780	6,029	3,020
Auditors' remuneration*	35,150	8,998	27,500	-
Directors' emoluments (Note 7b(i))	29,080	16,118	27,580	16,118
Information Technology	67,985	97,631	53,413	89,197
Insurance	29,487	24,369	12,941	11,959
Communication expenses	10,764	9,792	9,965	9,007
Professional fees	96,025	74,962	85,919	67,682
Printing and stationery	5,305	3,889	5,063	3,775
Listing/ Regulatory fees	15,577	-	15,577	-
Bank Charges	14,627	5,303	5,159	5,303
Others	292,766	333,466	113,201	91,108
	1,355,757	1,285,054	695,176	619,789

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Particulars of Directors and Staff

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

	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
Key management personnel compensation:				
Short term benefit	271,508	233,461	164,995	141,874
Post employment benefits	16,676	10,416	12,798	7,994
	288,184	243,877	177,793	149,868
Directors' emoluments:				
Fees	3,400	3,400	3,400	3,400
Other emoluments	115,509	121,830	115,509	121,830
	29,080	125,230	27,580	125,230
Other staff personnel compensation:				
Short term benefit	781,700	563,507	373,386	291,547
Post employment benefits	65,613	54,960	26,324	22,050
	361,202	618,467	204,810	313,597
Total	678,466	987,574	410,184	588,696

8. Net Finance Income/(Cost)

The Group

	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
Finance Income	717,866	1,052,024	200,340	350,329
Interest on borrowings	(162,548)	(251,225)	(529,508)	(251,225)
Finance Costs	(162,548)	(251,225)	(529,508)	(251,225)
Net Finance income	555,318	800,798	(329,168)	99,104

Finance income relate to interest accrued and received on short term deposits during the period

9. Credit loss expense

The Group

The Company

	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
Receivable in UPDC Metro City Ltd.	-	-	-	-
Impairment of receivable from UPDC Hotels Ltd.	-	-	-	-
Receivable in other related parties	-	-	-	-
Receivable of UPDC FM LTD	-	6,000	-	-
Impairments of trade receivables	-	-	-	-
Impairment/(write back) of short term investment	6,000	-	-	54
	6,000	6,000	-	54

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	The Group			
	2026	2025		Total
	Total	Stage 1 Individual	Stage 3 Individual	
	N'000	N'000	N'000	N'000
Short term deposits	6,000	54	-	54
Related party receivables	-	4,747	-	4,747
Trade receivables	-	-	158,803	158,803
	6,000	4,801	158,803	163,604

	The Company			
	2025	2024		Total
	Total	Stage 1 Individual	Stage 3 Individual	
	N'000	N'000	N'000	N'000
Short term deposits	-	54	-	54
Related party receivables	-	41,459	-	41,459
Trade receivables	-	-	-	-
	-	41,514	-	41,514

10. Taxation

	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
<i>Current tax</i>				
Minimum tax charge for the year	3,688	6,467	-	3,165
Current income tax	357,024	634,464	18,438	-
Education tax /Development Levy	72,442	60,188	1,437	-
Police Trust Fund	-	106	-	-
Total current tax charge	433,154	701,225	19,876	3,165
Total deferred tax (note 24)	-	-	-	-
Total deferred tax (note 24)	-	-	-	-
Income tax charge	433,154	701,225	19,876	3,165

Nigeria corporation tax is calculated at 30% (2024: 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.

	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
Profit before taxation	1,448,635	1,308,919	(350,184)	(179,661)
Tax at the Nigeria corporation tax rate of 30% (2024: 30%)	434,590	392,676	(105,055)	(53,898)
Education tax	72,442	53,115	1,437	10,111
Effect of expenses that are not deductible in determining taxable profit	263,532	136,319	42,010	42,010
Effect of income that is exempt from taxation	(100,200)	(146,240)	81,484	(138,395)
Impact of temporary differences	27,168	10,817	-	-
Minimum tax adjustments (including PTF)	3,688	25,323	-	25,274
Tax for the period	701,221	472,010	19,876	(114,898)

Per statement of financial position	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
At 1 January	1,271,255	490,889	87,406	57,782
Charge for the year	433,154	1,223,478	19,876	39,751
Payments during the year	(982,831)	(443,112)	(16,190)	(10,127)
Withholding tax utilized	-	-	-	-
At 31 December, 2025	721,579	1,271,255	91,092	87,406

10. (i) Current tax assets	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
Unutilised withholding tax credit notes as at January 1	327,127	147,200	211,350	147,200
Additional during the year	-	179,927	-	64,149
Utilization during the year	-	-	-	-
Unutilised withholding tax credit notes as at December 31, 2025	327,127	327,127	211,350	211,350

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 Nigeria Revenue Services (NRS).

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12. Earnings Per Share

(a) Basic

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

	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	N'000	N'000	N'000	N'000
Profit / (Loss) attributable to ordinary equity shareholders (NGN'000)	1,015,481	1,209,213	(370,060)	(182,826)
Profit / (Loss) for the year	1,015,481	1,209,213	(370,060)	(182,826)
Basic earnings / (Loss) per share (Kobo)	5	7	(2)	(1)
From continuing operations	5	7	(2)	(1)
Diluted earnings per share (Kobo)	5	7	(2)	(1)
From continuing operations	5	7	(2)	(1)

	The Group		The Company	
	30 Jun 2026	June 30 2025	30 Jun 2026	June 30 2025
	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 25)	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	Motor vehicles	Plant and Machinery	Furniture & Fittings	Computer Equipment	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2025	1,103,600	7,025,226	132,495	338,063	118,462	129,456	8,847,303
Addition	-	-	243,500	10,693	202,746	57,281	514,220
At 31 December 2025	1,103,600	7,025,226	375,995	348,756	321,208	186,737	9,361,522
At 1 January 2026	1,103,600	7,025,226	375,995	348,756	321,208	186,737	9,361,522
Addition	-	3,118	10,000	15,396	10,219	20,454	59,188
Disposal	-	-	(24,725)	-	(491)	(5,954)	(31,170)
At June 30 2026	1,103,600	7,028,344	361,270	364,152	330,936	201,238	9,389,540
Accumulated depreciation and impairment							
At 1 January 2024	-	288,675	60,576	62,953	94,277	88,088	594,569
Charge for the year	-	92,110	68,639	120,842	9,656	25,611	316,858
At 31 December 2025	-	380,785	129,215	183,795	103,933	113,698	911,426
At 1 January 2026	-	380,785	129,215	183,795	103,933	113,698	911,426
Charge for the year	-	78,173	30,331	18,862	7,686	9,549	144,601
Disposal	-	-	(22,253)	-	(309)	(2,161)	(24,723)
At June 30 2026	-	458,958	137,293	202,657	111,309	121,087	1,031,304
Net book values							
At June 30 2026	1,103,600	6,569,386	223,977	161,495	219,627	80,151	8,358,235
At 31 December 2025	1,103,600	6,644,441	246,780	164,961	217,275	73,039	8,450,096

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 30 June 2026 (2025: Nil).

No property, plant and equipment retired from active use, and none was classified as held for sale in accordance with IFRS 5.

The Company

	Motor vehicles	Plant and Machinery	Furniture & Fittings	Computer Equipment	Total
Cost	N'000	N'000	N'000	N'000	N'000
At 1 January 2025	251,986	12,736	86,929	124,671	476,322
Additions	-	-	-	-	-
At 31 December 2025	251,986	12,736	86,929	124,671	476,322
At 1 January 2026	251,986	12,736	86,929	124,671	476,322
Additions	-	-	6,117	2,192	8,308
Disposal	(24,725)	-	(491)	(5,954)	(31,170)
At 30 May 2026	227,261	12,736	92,555	120,909	453,460
Accumulated depreciation and impairment					
At 1 January 2025	44,800	12,736	49,827	73,058	180,421
Charge for the year	40,437	-	4,572	10,680	55,689
At 31 December 2025	85,238	12,736	54,399	83,738	236,109
At 1 January 2026	85,238	12,736	54,399	83,738	236,109
Charge for the year	15,435	-	4,075	1,315	20,823
Disposal	(22,253)	-	(309)	(2,161)	(24,724)
At 30 May 2026	78,420	12,736	58,164	82,892	232,209
Net book values					
At 30 May 2026	148,841	-	34,391	38,017	221,251
At 31 December 2025	166,748	-	32,530	40,933	240,213

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 30 June 2026 (2025: Nil).

No property, plant and equipment retired from active use, and none was classified as held for sale in accordance with IFRS 5.

14. Intangible Assets

	The Group	The Company
	Software	Software
Cost	N'000	N'000
At 1 January 2024	407,967	305,770
Additions	27,044	-
At 31 December 2025	435,011	305,770
At 1 January 2026	435,011	305,770
Additions	8,897	-
At 30 May 2026	443,908	305,770
Amortisation		
At 1 January 2025	351,666	300,299
Amortisation for the year	8,666	2,414
At 31 December 2025	360,332	302,713
At 1 January 2026	360,332	302,713
Amortisation for the year	7,668	1,141
At 30 May 2026	368,000	303,855
Net book values		
At 30 May 2026	75,908	1,915
At 31 December 2025	74,679	3,057

No intangible asset was pledged as security for any liability as at 30 June 2026 (2025: Nil)

15. Investments in equity accounted joint ventures

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

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Joint ventures	112,182	112,182	111,378	111,378
	112,182	112,182	111,378	111,378

15 (i). Investments in joint ventures

	The Group		The Company		30 Jun 2026	31 December 2025
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025		
	N'000	N'000	N'000	N'000	% holding	% holding
Investment in Joint Ventures						
First Restoration Dev. Co. Limited	112,182	112,182	111,378	111,378	51.0%	51.0%
	112,182	112,182	111,378	111,378		

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	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
At 1 January	112,182	120,141	111,378	119,337
Share of loss from joint venture	-	(7,959)	-	(7,959)
	112,182	112,182	111,378	111,378

Nature of investment in Joint ventures:

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

All joint ventures are primarily set up for projects as stated above. The investments in Joint Venture were measured 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.

16. Equity instrument at fair value through other comprehensive income

As at 30 June 2026, 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 N6.90 to N9.75 per unit in current period.

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
As at 1 January	920,552	667,067	920,552	667,067
Fair value changes	380,228	253,486	380,228	253,486
	1,300,782	920,552	1,300,782	920,552

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Opening balance of Investment	920,552	853,846	920,552	853,846
Fair valuation at reporting date	(1,300,782)	(667,067)	(1,300,782)	(667,067)
Fair value loss/(gain)	(380,229)	186,779	(380,229)	186,779

17. Investments in subsidiaries

Principal investments	The Company		% Shareholding	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	%	%
UPDC Hotels Ltd.				
2,082,500,000 Shares of ₦1.00 each	2,082,500	2,082,500	94.0%	94%
Manor Gardens Dev. Company Ltd.				
53,810,000 Ordinary Shares of ₦1.00 each	53,810	53,810	67.5%	67.5%
UPDC Facility Management Ltd.				
5,000,000 Ordinary Shares of ₦1.00 each	5,000	5,000	50%	50%
Deep Horizon Investment Ltd				
1,000,000 Ordinary Shares of ₦1.00 each	1,611,697	1,611,697	100%	100%
Grupo Atlanta (Nig) Ltd				
510,000 Ordinary Shares of ₦1.00 each	510	510	51%	49%
	3,753,517	3,753,517		
Impairment of investments	(2,136,310)	(2,136,310)		
	1,617,207	1,617,207		

Investments in subsidiaries are measured at cost.

17. (i) Material partly owned subsidiary

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

	The Company		% Shareholding	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	%	%
UPDC Facility Management Limited: 5,000,000 Ordinary Shares of ₦1.00 each	5,000	5,000	50	50
Grupo Atlanta (Nig) Ltd: 510,000 Ordinary Shares of ₦1.00 each	510	490	51	49

18. Inventories

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Non trade stock	202,835	95,226	-	-
Properties under construction - Note 18 (i)	1,046,359	3,123,873	891,739	1,079,068
Balance	1,249,195	3,219,099	891,739	1,079,068

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

18. (i). Properties under construction

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Balance 1 January	3,123,873	8,378,876	888,905	1,079,068
Additions	2,537,527	1,389,671	2,835	572,683
Disposal	(4,615,041)	(6,644,673)	-	(762,846)
	1,046,359	3,123,873	891,739	888,905

19. Trade and other receivables

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Trade receivables	1,407,366	1,850,667	930,869	927,598
Less: Impairment of trade receivables (Note 3.1b)	(1,179,882)	(1,179,882)	(883,936)	(883,936)
Net trade receivables	227,484	670,784	46,933	43,662
Receivables from group companies (Note 26)	1,676,894	499,758	5,426,848	7,402,304
Other receivables (Note 19 (i))	3,564,586	5,516,467	318,136	276,313
Advances to staff	766	766	-	-
	5,469,729	6,687,775	5,791,917	7,722,279

19. (i) Analysis of other receivables

	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
Mobilization payments to contractors	3,115,814	5,173,127	28,151	27,473
Prepayments and accrued income	221,262	109,069	86,124	43,670
Withholding tax receivables	37,564	35,387	15,170	15,170
VAT Receivables	-	-	-	-
Other Debtors*	189,945	198,885	188,692	190,000
	3,564,586	5,516,467	318,136	276,313

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 and receivables from the hotel. 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.

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20. Cash and cash equivalents

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Cash at bank and in hand	2,012,641	1,910,153	723,960	375,967
Short term investments	6,579,507	8,288,579	3,240,693	1,236,433
Less: Impairment of Short term investments	(871)	(871)	(175)	(175)
Cash and cash equivalents	8,591,278	10,197,862	3,964,478	1,612,225

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

21. Borrowings

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Current borrowings				
UACN Plc Loan	23,637	32,373	23,637	32,373
Custodian Investment Plc Loan	37,080	46,666	37,080	46,666
Grupo Atlanta (Nig) Ltd	-	-	426,204	59,244
	60,716	79,038	486,921	138,282
Non-current borrowings - Principal				
UACN Plc Loan	690,055	920,078	690,055	920,078
Custodian Investment Plc Loan	821,315	1,095,090	821,315	1,095,090
Grupo Atlanta (Nig) Ltd	-	-	4,000,000	3,487,757
	1,511,370	2,015,168	5,511,370	5,502,925
Total borrowings	1,572,086	2,094,206	5,998,291	5,641,208

Movement in total borrowing during the year is as follows:

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Balance as at 1 January	2,094,208	3,139,350	5,641,209	3,139,350
Additional Loan (GANL)			512,243	3,487,757
Repayment of Principal	(503,798)	(1,007,606)	(503,798)	(1,007,606)
Interest accrued	162,548	461,659	529,508	520,903
Interest paid	(180,870)	(499,196)	(180,870)	(499,196)
Balance as at 31 December	1,572,088	2,094,208	5,998,292	5,641,209

In April 2021, the majority shareholders of UPDC Plc (CIP & UACN Plc) granted UPDC Plc a loan for N5.9billion at the rate of 9% per annum with a 3year moratorium. It was also agreed that the loan would be provided by CIP and UACN Plc's pro rata their shareholding in the UPDC i.e. CIP contributed 54.34% of the Loan whilst UACN Plc contributed 45.66% of the Loan. The purpose of the loan was to pay down the 5-year bond and UACN Bridge Finance. The loan was restructured in October 2024 with the interest rate increased from 9% to 18% pa.

*In October 2025, UPDC Plc secured a related party loan of N4b from Grupo Atlanta with an annual interest rate of 20%, N3.49b was drawndown in December 2025, while the balance was drawndon in April 2026. The loan is for a tenor of 18months from the draw down date.

22. Trade and other payables

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Trade payables	2,072,343	2,670,312	523,667	528,451
Customer deposit liabilities (Note 23)	2,863,507	3,975,707	2,635,104	2,082,038
Amounts owed to other related parties (Note 26)	251,125	252,970	2,085,327	2,087,172
	5,186,975	6,898,989	5,244,097	4,697,661
Value Added Tax/ Withholding Tax Payables	289,364	323,193	244,003	147,205
Other payables*	3,581,856	6,462,301	776,384	772,315
Assets Replacement Deposits	278,388	257,845	136,388	137,409
Unclaimed dividend (Note 23 (i))	173,682	220,452	173,682	220,452
Accruals**	811,683	802,421	406,744	406,744
Total	10,321,948	14,965,201	6,981,298	6,381,786

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 payable for cost of land for phases 2 & 3 of Brompton City of N6.4billion (2024:N9.7billion), development levy deposits, and other payroll related statutory payment due.

**Accruals is made up of payables to vendors for accrude expenses, legal fee, audit fee, amongst others.

23. Customer deposit liabilities

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Deposit by customers	2,863,507	3,975,707	2,635,104	2,082,038
	2,863,507	3,975,707	2,635,104	2,082,038

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

23. (i) Unclaimed dividend

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
As at 1 January	230,739	252,411	230,739	252,411
Unclaimed dividend fund paid	(46,771)	(21,672)	(46,771)	(21,672)
	183,968	230,739	183,968	230,739

24. Deferred taxation

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

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
Deferred tax liabilities:				
- Deferred tax liability to be recovered after more than 12 months	207,144	207,144	192,743	192,743
- Deferred tax liability to be recovered within 12 months	-	-	-	-
Deferred tax liabilities	207,144	207,144	192,743	192,743

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

	The Group		The Company	
	30 Jun 2026	31 December 2025	30 Jun 2026	31 December 2025
	N'000	N'000	N'000	N'000
At 1 January	207,144	83,354	192,743	72,537
Recognised in Profit or Loss	-	3,584	-	-
Tax charge relating to components of other comprehensive income	-	120,206	-	120,206
At 30 June	207,144	207,144	192,743	192,743

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

The Group

	Property, plant and equipment	Investment property	Provisions	Tax losses	Capital gains to be reinvested	Exchange difference	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2025	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged to profit or loss	3,584	-	-	-	-	-	3,584
At 31 December 2025	(65,856)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	76,121
Charged to profit or loss	-	-	-	-	-	-	-
At 31 December 2025	(65,856)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	76,121

The Company

	Property, plant and equipment	Investment property	Provisions	Tax losses	Capital gains to be reinvested	Exchange difference	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2025	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged to profit or loss	-	-	-	-	-	-	-
At 31 December 2025	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged to profit or loss	-	-	-	-	-	-	-
At 30 June 2026	(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 N5.0 billion (2025: N5.3 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 N15.9 billion unrelieved tax losses (2025: N17.3 billion) available for offset against future profits.

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25. Share capital

Group and Company

	30 Jun 2026		31 December 2025	
	Units '000	Amount N'000	Units '000	Amount N'000
<i>Authorised:</i>				
Ordinary shares of 50k each	18,559,970	9,279,985	18,559,970	9,279,985
<i>Issued and fully paid:</i>				
Ordinary shares of 50k each	18,559,970	9,279,985	18,559,969	9,279,985
Authorised shares				
At 1 January	18,559,970	9,279,985	18,559,970	9,279,985
Share Cancellation				
At 31 December	18,559,970	9,279,985	18,559,969	9,279,985

25 (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.

25 (ii). Retained earnings

Retained earnings represent net accumulated result over the years.

25 (iii) Fair value reserve

The fair value reserve comprises the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income.

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26. Related party transactions

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

The following transactions were carried out with related parties:

Period-end balances arising from sales/purchases of goods	The Group		The Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Receivable:	N'000	N'000	N'000	N'000
Receivables balance	4,938,710	3,732,934	22,856,091	19,617,407
Provision for expected credit losses	(3,261,816)	(3,251,307)	(17,429,243)	(17,338,496)
Balance as at 31 December	1,676,894	481,626	5,426,848	2,278,911

Period-end balances arising from sales/purchases of goods		The Group		The Company	
		30 June 2026	31 December 2025	30 June 2026	31 December 2025
Receivable:	Relationship	N'000	N'000	N'000	N'000
UPDC Metrocity Limited	Joint Venture	477,234	462,455	477,234	462,455
UPDC Hotel Ltd.	Subsidiary	-	-	14,802,688	14,828,506
First Festival Mall Limited	Joint Venture	2,614,513	2,614,513	2,614,513	2,614,513
Pinnacle Apartment Dev. Ltd/ Imani and Sons	JV Partner	563,033	560,825	427,978	425,770
Galaxy Mall Current Account	Joint Venture	74,034	74,034	74,034	74,034
UPDC REIT	Associate	90,456	49,747	90,456	49,747
Manor Gardens	Subsidiary	-	-	317,244	317,244
Groupo Atlanta Nig Ltd	Subsidiary	-	-	2,846,064	5,964,719
Masada solution Ltd	JV Partner	1,119,440	-	1,119,440	-
UPDC Facility Management Ltd.	Subsidiary	-	-	86,440	94,561
		4,938,710	3,761,574	22,856,091	24,831,548
Impairment of Intercompany receivables		(3,261,816)	(3,261,816)	(17,429,243)	(17,429,243)
		1,676,894	499,758	5,426,848	7,402,304

		The Group		The Company	
		30 June 2026	31 December 2025	30 June 2026	31 December 2025
Payable:	Relationship	N'000	N'000	N'000	N'000
UAC of Nigeria Plc.	Associate	-	-	-	-
MDS Logistics Ltd.	Sister Company	-	-	-	-
First Restoration Dev. Co. Limited	Joint Venture	251,125	252,970	251,125	252,970
Deep Horizon Investment Ltd.	Subsidiary	-	-	1,834,202	1,834,202
		251,125	252,970	2,085,327	2,087,172

All trading balances will be settled in cash.

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

27. Contingent liabilities

As at 30 June 2026, the Group in its ordinary course of business is presently involved in 17 cases as a defendant and 1 case as a plaintiff. The total amount claimed in the 17 cases against the Group is estimated at N4.3billion while the total amount claimed in the one case instituted by the Company is N22.8 million.

The Directors are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Company and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

28. Events after reporting period

There were no subsequent events which could have had a material effect on the financial position and performance of the bank as at 30 June 2026 which had not been adequately provided for or disclosed.

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

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

#REF!

Shareholding Structure/Free Float Status

UPDC Free Float Computation				
Company Name:	UPDC PLC			
Board Listed:	MAIN BOARD			
Year End:	December			
Reporting Period:	June 2026			
Share Price at end of reporting period:	₦3.20			
Shareholding Structure/Free Float Status				
Description	June 2026			
	Units	Percentage		
Issued Share Capital	18,559,969,936	100%		
Substantial Shareholdings (5% and above)				
Custodian Investment Plc	9,486,390,663	51.11%		
UAC of Nigeria Plc	7,697,451,236	41.47%		
Total Substantial Shareholdings	17,183,841,899	92.59%		
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr Wole Oshin	-	9,486,390,663		
Mr Odunayo Ojo	-	-		
Ms Bidemi Fadayomi	-	-		
Mr Folasope Aiyesimoju	-	7,697,451,236		
Mr Oyekunle Osilaja	-	-		
Mr Adeniyi Falade	-	0		
Total Directors' Shareholdings	-	-		
Other Influential Shareholdings				
First PCN/Crusader Pensions - PFA Main	213,642,424	1.15%		
Free Float in Units and Percentage	906,792,952	4.89%		
Free Float in Units and Percentage	469,335,085	2.53%		
Free Float in Value	₦1,501,872,272.00			

Declaration:

UPDC Plc, with a free float percentage of 4.89% as at 30 June 2026, does not meet the free float requirements of the Nigerian Exchange Group for companies listed on the Main Board.

The Company has taken steps to resolve this. This plan will be communicated once fully executed.