



**Audited Financial Statements
for the year ended
31 December 2024**

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Directors' Report

The Directors have the pleasure of submitting their annual report, together with the audited financial Statements for the year ended 31st December 2024.

Principal Activities

UPDC Plc (UPDC or the Company) is a seasoned development company in Nigeria with an established record in developing, selling, and managing real estate assets across Nigeria. UPDC is the first real estate listed company and offers the most diversified portfolio of residential, commercial, retail, and hospitality assets.

Our Vision

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

Our Mission

To build and manage:

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

Core Values

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

Operating Results

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Revenue	11,786,913	5,343,622	4,401,353	2,397,109
Gross profit	3,398,801	1,901,320	1,209,524	777,835
Selling and distribution Expenses	(550,067)	(111,240)	(145,829)	(86,086)
Administrative Expenses	(1,972,422)	(1,637,117)	(1,012,547)	(668,591)
Other Operating Income	434,071	501,063	193,940	617,438
Credit loss expenses	(163,604)	(84,924)	(41,514)	(122,422)
Share of loss from joint venture	-	(5,506)	-	(5,506)
Operating Profit	1,146,780	563,596	203,574	512,668

Net Finance Income (cost)	162,139	(183,661)	117,708	(195,992)
Profit before Taxation	1,308,919	379,935	321,282	316,676
Taxation	(472,010)	(158,430)	(35,385)	(24,024)
Profit for the year	836,909	221,505	285,897	292,652
Fair value (loss)/gain on financial assets	(186,779)	453,606	(186,779)	453,606
Total Comprehensive income for the year	650,130	675,111	99,118	746,258

Dividend

The Board of Directors has approved a dividend of ₦0.01 (1 kobo) per ordinary share for the financial year ended 31 December 2024 (2023: Nil). This amounts to a total dividend payout of ₦185,599,699.36, based on the total outstanding ordinary shares of 18,559,969,936.

Directors' Interests in Shares

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

	31 December 2024		31 December 2023	
	Direct	Indirect	Direct	Indirect
Mr Wole Oshin	-	9,466,708,960		9,466,708,960
Mr Odunayo Ojo	-	-	-	-
Ms Bidemi Fadayomi	-	-	-	-
Mr Folasope Aiyesimoju	-	7,908,186,837	-	7,953,143,897
Mr Oyekunle Osilaja	-	-	-	-
Mr Adeniyi Falade	-	-	-	-

Directors' Interests in Contracts

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

Shareholders with Substantial Interest of 5% and Above

The issued and fully paid-up share capital of the Company is ₦9,279,984,968 divided into 18,559,969,936 ordinary shares of 50 kobo each. The following table shows the shareholders with substantial interest above 5%:

S/N	FULL NAME	ADDRESS	HOLDINGS	%
1	Custodian Investment Plc	Custodian House, 16A, Commercial Avenue, Sabo, Yaba	9,466,708,960	51.00
2	UAC of Nigeria Plc	UAC House, 1 – 5, Odunlami Street, Marina, Lagos.	7,908,186,837	42.61

Share Capital History

YEAR	BONUS ISSUE	UNITS	VALUE (N)
1999	Starting Capital	1,000,000,000	500,000,000
2004	1 for 10 bonus issue	1,100,000,000	550,000,000
2005 to 2009	None	1,100,000,000	550,000,000
2010	1 for 4 bonus issue	1,375,000,000	687,500,000
2011 to 2012	None	1,375,000,000	687,500,000
2013	1 for 4 bonus issue	1,718,749,995	859,374,997.50
2014 to 2016	None	1,718,749,995	859,374,997.50
2017	1 for 1 Rights Issue	2,598,395,794	1,299,197,897
2018	None	2,598,395,794	1,299,197,897
2019	None	2,598,395,794	1,299,197,897
2020	43 for 7 Rights Issue	18,559,969,936	9,279,984,968
2021	None	18,559,969,936	9,279,984,968
2022	None	18,559,969,936	9,279,984,968
2023	None	18,559,969,936	9,279,984,968
2024	None	18,559,969,936	9,279,984,968

Analysis of Shareholding

	Shareholders Number	Shareholding Number	Shareholding %
Directors and Connected Persons	NIL	NIL	NIL
Custodian Investment Plc	1	9,466,708,960	51.01
UAC of Nig Plc	1	7,908,186,837	42.61
Individuals	27,969	603,310,894	3.25
Other Corporate bodies	1,129	581,763,245	3.13
Total	29,100	18,559,969,936	100

Our People

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

Diversity and Inclusion Strategies

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

Health, Safety and Employee Welfare

Health and safety is highly fundamental and to this end, The Company is also very conscious of the safety requirements both of its guests and employees, and stringent precautions are taken to ensure this are provided conducive and safe working environment at locations where the employees are located, including; the corporate head office, estates, and project sites. There is

access to first aid amenities at these locations to be used in line with safety regulations. Employees are duly covered under Health Insurance schemes.

Employee Recognition and Incentive Scheme

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

Employee Engagement and Team Communication

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

Learning and Development

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

Performance Management

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

Employee Wellness and Wellbeing

The Company prioritizes employee wellbeing and mental health. The focus on nurturing employee's well-being is critical to the development of workplace resilience. The Company also strives to provide a work environment that is free from health hazards and the continuous provision of resources that create a conducive and ergonomic workplace. Periodically, the Company organizes initiatives and interventions for the improvement of health and the wellbeing of its employees to boost productivity and overall output. Furthermore, employees are encouraged to engage in programs focused on improvement of a healthy lifestyle, with positive impact on the mental, emotional, physical and social well-being. Some of the wellness initiatives implemented during the year include:

- Compulsory Annual Health Checks
- Health Insurance cover for employees through the
- Health Maintenance Organizations (HMOs).
- Regular advisory and health talks during health awareness sessions, work life balance initiatives.

Information Technology Upgrades

Information Technology is embedded into the Company operations. The Company seeks to provide a stable, up to date information technology infrastructure for the improvement of the

working environment, increased productivity and cyber security. The technological advancements include:

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

Internship Management

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

Employee Recruitment

Our internal recruiting team endeavours to not only fill open positions, but to partner with hiring managers to continuously improve our efforts with respect to marketing, screening, interviewing, onboarding and employee retention. In addition to recruiting locally in the communities we serve, we use job fairs, open house events, employee referral programs and social media channels, Our job opportunities are hosted on <https://updcplc.com/careers/jobs/> and posted on www.linkedin.com.

Corporate Social Responsibility

The Company pursues its corporate social responsibility by providing support for people living in villages, communities and the less-developed city outskirts - areas where we may not necessarily get business patronage. We carry out these initiatives to improve the standard of living for beneficiaries and as our corporate contribution to the global drive to eradicate extreme poverty.

BY ORDER OF THE BOARD



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

CORPORATE GOVERNANCE REPORT

Introduction

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

The Board

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

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

During the period under review, the Board of the Company was made up of four (4) Non-Executive Directors and two (2) Executive Directors. Ms. Bidemi Fadayomi, the Development Director resigned her appointment during the period and was appointed a Non-Executive Director with effect from 2nd January 2025. The Board is headed by a Non-Executive Chairman who is separate from the Chief Executive Officer who heads the management team of the Company. The current Directors of the Company and their classifications are as follows:

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

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

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

- 1) Formulation of policies, strategy and overseeing the management and conduct of the business.
- 2) Formulation and management of risk management framework.
- 3) Succession planning and the appointment, training, remuneration and replacement of Board members and senior management.

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

Board Appointment Process, Induction and Training of Members

The Board Remuneration & Governance Committee serves as the nomination committee for recommending candidates to fill vacant positions on the Board. The process of appointing Directors includes declaration of a vacancy at a Board meeting, assessment of the relevant requirements (such as gender, age, technical and soft skills, geographical spread, experience and international exposure), sourcing of the curriculum vitae for suitable candidates, carrying out necessary background checks, informal interviews & interactions, and recommendation of suitable candidate(s) by the Board Remuneration & Governance Committee to the Board for approval. A Director appointed by the Board is presented to the next Annual General Meeting for election in line with statutory requirements. A third of members of the Board retire by rotation at the Annual General Meetings.

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

Board Evaluation

The Board has established a system of independent annual evaluation of its performance, that of its Committees and individual Directors. In this regard, the Society for Corporate Governance Nigeria was engaged to conduct the Board performance evaluation for the Financial Year Ended December 31, 2024. The Board believes that the use of an independent consultant promotes the objectivity and the transparency of the evaluation process.

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

Board Compensation

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

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

Board Meetings

The Board met three (3) times during the 2024 financial year. The following table shows the attendance of Directors at the Board meetings:

DIRECTORS	22/4	16/7	16/10
Mr Oluwole Oshin	P	P	P
Mr Odunayo Ojo	P	P	P
Ms Bidemi Fadayomi	P	P	P
Mr Folasope Aiyesimoju	P	P	P
Mr Oyekunle Osilaja	P	P	P
Mr Adeniyi Falade	P	P	P

Key:

P - Present

Board Committees

The Board exercises oversight responsibility through its standing Committees, each of which has a Charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting line to the Board. In line with best practice, the Chairman of the Board is not a member of any Committee. The Board has three (3) Committees namely: the Board Finance, Investment and Operations Committee, the Board Risk, Audit and Compliance Committee, the Board Remuneration and Governance Committee. The Company also has a Statutory Audit Committee.

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

Finance, Investment and Operations Committee

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

Members

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

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

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

The Committee Meetings

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

Directors	4/3	17/4	17/7	15/10
Mr Adeniyi Falade	P	P	P	P
Mr Folasope Aiyesimoju	P	P	P	P
Mr Oyekunle Osilaja	P	P	P	P
Mr Odunayo Ojo	P	P	P	P
Ms Bidemi Fadayomi	P	P	P	P

Key:

P: Present

The Risk, Audit and Compliance Committee

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

Members

Mr Folasope Aiyesimoju – Chairman
Mr Adeniyi Falade
Mr Oyekunle Osilaja
Mr Odunayo Ojo

Ms Bidemi Fadayomi

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

The Committee also:

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

Committee Meetings

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

DIRECTORS	18/4	15/7	15/10
Mr Folasope Ayesimoju	P	P	P
Mr Adeniyi Falade	P	P	P
Mr Oyekunle Osilaja	P	P	P
Mr Odunayo Ojo	P	P	P
Ms Bidemi Fadayomi	P	P	P

Key:

P - Present

The Remuneration & Governance Committee

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

Members

Mr Oyekunle Osilaja - Chairman

Mr Folasope Ayesimoju

Mr Adeniyi Falade

Committee's Meetings

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

DIRECTORS	16/4	14/10
Mr Oyekunle Osilaja	P	P
Mr Folasope Aiyesimoju	P	P
Mr Adeniyi Falade	P	P

Key:

P - Present

The Statutory Audit Committee

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

Members

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

Committee's Meetings

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

DIRECTORS	18/4	12/7	14/10
Mr Joe Anosikeh	P	P	P
Mr Uchenna Nnamdi Nnadozie	P	P	P
Engr Taiwo Fawole	P	P	P
Mr Oyekunle Osilaja	P	P	P
Mr Adeniyi Falade	P	P	P

Key:

P - Present

The Committee is authorized by CAMA 2020 to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- Review the scope and planning of audit requirements.
- Review the findings on management matters in conjunction with the external auditor and departmental responses thereon.
- Keep under review the effectiveness of the company's system of accounting and internal control.

- Make recommendation to the Board with regard to the appointment, removal and remuneration of the External Auditors of the Company.
- Authorize the Internal Auditor to carry out investigations into any activities of the Company, which may be of interest or concern to the Committee; and
- Receive quarterly/periodic reports from the internal audit unit.

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

Company Secretary

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

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

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

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

Diversity

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

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

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

Succession Planning

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

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

Whistleblowing Procedure

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

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

Control Environment

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

Trading in Security Policy

In compliance with the Rules of the Nigerian Exchange Limited (NGX), we have put in place a Securities Trading Policy to guide employees and Directors of the Company, persons closely connected to them, and all insiders of the Company on trading in the securities of the Company. Under the policy, the closed period shall be effective from end of a relevant quarter up to twenty-four (24) hours after the price sensitive information is submitted to the NGX. The trading window shall thereafter be opened. We hereby confirm that no Director traded in the securities of the Company within the closed period.

Shareholders Complaints Management Policy

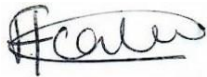
We have put in place a Complaints Management Policy to handle and resolve complaints from our Shareholders and investors. The Company's senior management is responsible for the implementation of the Policy which is on the Company's website.

Compliance with the Code of Corporate Governance

The Company has complied with the provisions of the 2011 Code of Corporate Governance for Public Companies in Nigeria and 2018 National Code of Corporate Governance, however the company was penalised for late filing of its 2023 audited financial statements and Q1, 2024 unaudited financial statements.

Communication with Third Parties

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

BY ORDER OF THE BOARD

Folake Kalaro (Mrs.)

Company Secretary

FRC/2018/NBA/00000017754

EXECUTIVE SUMMARY OF THE BOARD EVALUATION REPORT FOR UPDC PLC FOR THE YEAR ENDED 31 DECEMBER 2024

The Society for Corporate Governance Nigeria was engaged to conduct an independent evaluation of the performance of the Board of UPDC PLC (the “Company”) for the year 2024. This evaluation was undertaken to ensure the Company's adherence to regulatory mandates and to promote continuous improvement in its corporate governance framework.

The evaluation utilised a comprehensive approach that included questionnaires, self and peer assessments, desk reviews, and individual interviews. This multi-faceted approach facilitated a robust and objective assessment of the Board's effectiveness, dynamics, and compliance with established corporate governance principles.

The evaluation focused on key areas including Leadership, Board Roles & Responsibilities, Risk Management and Compliance, Board Composition and Structure, Board Operations & Processes, Relationship with Stakeholders, Director Development/Appointment, Business Conduct & Ethics, Transparency and Disclosures, and Board Committees.

The evaluation revealed that the Board demonstrates a strong commitment to its responsibilities and operates with a clear understanding of its role in guiding UPDC PLC. The Board exhibits several key strengths that contribute positively to the Company's governance framework.

While the Board's performance has been commendable, the evaluation also identifies areas where further development could enhance its overall effectiveness. These opportunities for improvement, detailed within the full report, aim to strengthen the Board's contribution to the long-term success and sustainability of UPDC PLC.

Overall, we are pleased to affirm that the Board of UPDC PLC met acceptable standards and demonstrated a strong commitment to corporate governance best practices in the year 2024.

Yours sincerely,

FOR: THE SOCIETY FOR CORPORATE GOVERNANCE NIGERIA



Mrs. Chioma Mordi
Chief Executive Officer

ENTERPRISE RISK MANAGEMENT REPORT

1.0 Introduction and Overview

UPDC Plc Group's Enterprise Risk Management (ERM) framework adopts a structured and consistent approach to defining clear responsibilities and accountability for risk and compliance. Effective risk management is essential for achieving the Group's strategic objectives, strengthening business resilience, and fostering a risk-aware culture that enhances sustainable performance and agility in response to dynamic market conditions.

The Board of UPDC (the Board) holds overall responsibility for overseeing the Group's risk management framework. It reviews key risks—both existing and potential—along with their mitigation strategies, ensuring the framework's effectiveness. The Board's Risk, Audit, and Compliance Committee (RACC) provides oversight through regular meetings to review risk management activities and assess the effectiveness of mitigation measures and controls.

Our ERM framework is structured around the "Three Lines of Defence" model:

- **First Line of Defence:** Process owners responsible for risk identification, prevention, and implementation of internal controls.
- **Second Line of Defence:** The Internal Control Department, which monitors risks, ensures compliance with established risk management processes, and reports to stakeholders.
- **Third Line of Defence:** The Internal Audit function, providing independent assurance to the Board and Senior Management on the effectiveness of risk management, controls, and governance processes.

2.0 Enterprise Risk Management Process

At UPDC Plc, risk management is embedded in our culture, with the responsibility shared across all levels of the organization. We integrate ERM capabilities into strategy setting and performance management, ensuring proactive risk mitigation.

2.1 Philosophy and Principles

Our ERM framework is built on the following principles:

- **Tone at the Top:** The Board and Senior Management promote a strong risk-aware culture and adherence to risk limits.
- **Risk Ownership:** Every employee is responsible for proactively managing risks in their daily activities.
- **Strategy Integration:** Risk management is embedded within business strategy and decision-making processes.
- **Culture:** A proactive approach to identifying and planning for future uncertainties without hindering growth and innovation.
- **Training & Empowerment:** Employees are equipped with the knowledge to integrate risk management into their roles, while Internal Control Officers operate independently and professionally.
- **Transparency:** Clear and consistent communication of risks.
- **Compliance:** Zero tolerance for non-compliance with laws, regulations, and company policies.

2.2 Strategy and Objectives

Our ERM framework is designed to:

- Foster a risk-aware culture where employees identify risks and opportunities and respond with cost-effective actions.
- Integrate risk management into strategic planning and decision-making.
- Improve risk identification within business opportunities and develop proactive mitigation plans.
- Enhance business performance and build stakeholder confidence by minimizing operational surprises and losses.
- Establish and sustain top-down awareness of risk management across the Group.

3.0 Governance

The Board, through the RACC, oversees the Group's risk management framework, reviews key risks and mitigation strategies, and ensures risk management effectiveness. The RACC holds quarterly meetings to assess risk management activities and identify potential business opportunities.

To maintain an effective risk management process, responsibilities are structured as follows:

3.1 The Board of Directors

The Board has primary oversight of risk management. It defines the Group's risk appetite, approves the risk management strategy, and ensures the overall effectiveness of the risk management system. The Board executes these responsibilities through the RACC.

3.2 The Risk, Audit & Compliance Committee (RACC)

The RACC is responsible for:

- Assisting the Board in risk oversight and monitoring the Group's risk management performance.
- Reviewing and recommending the risk identification, measurement, and management framework for Board approval.
- Embedding risk management policies within the corporate culture.
- Reviewing quarterly risk management reports and directing necessary senior management actions.
- Periodically evaluating the Group's risk profile and action plans for managing high-risk areas.
- Monitoring progress on risk management implementation.
- Ensuring risk exposures remain within the approved risk appetite.
- Engaging with senior management, Internal Control, and Audit teams to ensure risk management adequacy and alignment with corporate objectives.

Through this structured ERM approach, UPDC Plc remains committed to proactively managing risks, ensuring compliance, and enhancing business resilience for long-term success.

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

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

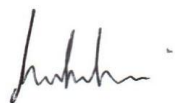
Management and employees operate in terms of code of ethics approved by the Board of the Company. The code requires compliance with all applicable laws and maintenance of the highest integrity in the conduct of all aspects of the business.

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

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

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

Signed on behalf of the Directors



Wole Oshin
Chairman
FRC/2013/CIIN/0000003054



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

28th March 2025

The Director-General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Ademulegun Street
Central Business District
Abuja.

Dear Sir,

CERTIFICATION PURSUANT TO SECTION 60(2) OF THE INVESTMENT & SECURITIES ACT, 2007

I, Grant Akata, certify that:

- a) I have reviewed the 2024 audited Financial Statements of UPDC Plc;
- b) Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;


UPDC PLC RC.321582

UAC House, 1-5 Odunlami Street, Lagos.
info@updcplc.com | www.updcplc.com

Directors: Mr. O. Oshin (Chairman), Mr O. Ojo (CEO), Mr. F. Aiyesimoju, Mr. O. Osilaja, Mr. A. Falade, Ms B. Fadayomi

- iv) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation
- e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - ii)
 - iii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer(s) and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Name: Grant Akata
Designation: Chief Financial Officer
FRC No: FRC/2023/PRO/ICAN/001146924

Signature: 

Date: 28th March 2025

28th March 2025

The Director-General
Securities & Exchange Commission
SEC Tower
Plot 272 Samuel Ademulegun Street
Central Business District
Abuja.

Dear Sir,

CERTIFICATION PURSUANT TO SECTION 60 (2) OF THE INVESTMENT & SECURITIES ACT, 2007

I, Odunayo Ojo, certify that:

- a) I have reviewed this 2024 audited Financial Statements of UPDC Plc;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;


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Directors: Mr. O. Oshin (Chairman), Mr O. Ojo (CEO), Mr. F. Aiyesimoju, Mr. O. Osilaja, Mr. A. Falade, Ms B. Fadayomi

- iv) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation
- e) The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - i) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer(s) and I have identified in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Name: Odunayo Ojo
Designation: Chief Executive Officer
FRC No: FRC/2016/NIESV/00000014322

Signature: 

Date: 28th March 2025



MANAGEMENT ASSESSMENT REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

For the year ended 31 December 2024

In accordance with the guidance of Securities and Exchange Commission (SEC) and Financial Reporting Council of Nigeria (FRC) on management assessment of Internal Control Over Financial Reporting, we hereby attest as follows:

UPDC Plc's management is responsible for establishing and maintaining internal controls and attest that the company's internal controls were effective as of 31 December 2024.

UPDC Plc's management has designed and maintained an internal control system as recommended by the Investment and Securities Act, 2007 which is able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS).


That the Audited Financial Statements does not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.

In evaluating the effectiveness of internal control over financial reporting, we adopted the Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Based on our evaluation, we are of the opinion that the Internal Control Over Financial Reporting of UPDC Plc is effective as of 31 December 2024.

Management takes responsibility to remediate deficiencies where identified. Any significant deficiencies in the design and operation of internal controls which could adversely affect the financial information of the entity has been disclosed to the independent Auditor and the Audit Committee.


Our auditor, Messrs Deloitte, has issued an attestation report on management's assessment of the entity's internal control over financial reporting as of 31 December 2024. This report will be filed as part of the annual report of UPDC Plc.

Name: Grant Akata
Designation: Chief Financial Officer
FRC No: FRC/2023/PRO/ICAN/001146924

Signature: 

Date: 28th March 2025

Name: Odunayo Ojo
Designation: Chief Executive Officer
FRC No: FRC/2016/NIESV/00000014322

Signature: 

Date: 28th March 2025

UPDC PLC RC.321582

UAC House, 1-5 Odunlami Street, Lagos.

info@updcplc.com | www.updcplc.com

Directors: Mr. O. Oshin (Chairman), Mr. O. Ojo (CEO), Mr. F. Aiyesimoju, Mr. O. Osilaja, Mr. A. Falade, Ms. B. Fadayomi

UPDC 2024 ANNUAL REPORT AND ACCOUNTS

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF UPDC PLC

In compliance with Section 404(4) of the Companies and Allied Matters Act 2020, we have reviewed the audited Financial Statements of UPDC PLC ("the Company") for the year ended 31st December 2024 and report as follows:

- (a) The accounting and reporting policies of the Group and the Company are consistent with legal requirements and agreed ethical practices.
- (b) The scope and planning of the external audit for the year ended 31st December 2024 were, in our opinion adequate.
- (c) We reviewed the findings and recommendations in the Internal Auditor's Report and External Auditor's Management Letter and were satisfied with the management responses thereto.
- (d) The Company maintained effective accounting and internal control system.

Dated 24th day of March 2025



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

Members of the Committee

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

Secretary

Folake Kalaro (Mrs)

Assurance Report of Independent Auditor

To the Shareholders of UPDC Plc

Assurance Report on Management's Assessment of Controls over Financial Reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of UPDC Plc ("the Company") and its subsidiaries ("the Group") as of 31 December, 2024, in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the SEC Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007 and FRC Guidance on Management report on Internal Control over Financial Reporting. UPDC Plc's management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Company and Group and our report dated 16 April 2025 expressed an unmodified opinion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting and FRC Guidance on Management report on Internal Control over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company and group;



- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and group; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Company's and the Group's system of internal control over financial reporting for the year ended 31 December 2024. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and the ICFR framework.

Section 7(2f) of the Financial Reporting Act 2011 (As amended) further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the Company's and Group's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Company and the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Company and Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.



Deloitte & Touche (FRC/2022/COY/091021)

Hassan Lawal, FCA - **FRC/2013/PRO/ICAN/004/00000001382**
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
16 April 2025



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UPDC Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **UPDC Plc** and its subsidiaries (the Group and Company) set out on pages 36 to 74, which comprise the consolidated and separate statements of financial position as at 31 December 2024, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **UPDC Plc** as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, Companies and Allied Matters Act, 2020, the Investment and Securities Act CAP S124 LFN 2007 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate financial statements in Nigeria.

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



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Group Audit Consideration - Special Considerations for the Audit of Group Financial Statements	
<p>The statutory audit of UPDC Plc includes the audit of the standalone financial statements of the parent company and the audit of the group consolidated financial statements which incorporates five subsidiaries and five joint ventures.</p> <p>The Group has operations and activities which include developing, selling, and managing real estate assets including maintenance, care, and sustainable power solutions for residential, corporate, and commercial properties and hotel management across Nigeria. Note 17 highlights a comprehensive list of all subsidiaries.</p> <p>Due to the significance and size of some of these subsidiaries within the group, a lot of audit time went to the direction, coordination, and supervision of the audit of these subsidiaries and subsequent engagements and interface with those charged with governance. Hence, we consider this to be a Key Audit Matter.</p>	<p>As the Group Engagement team, we performed the group audit in line with the provisions of ISA 600 (Special considerations—audits of group financial statements (including the work of component auditors).</p> <p>In line with the requirements of ISA 600, the following audit procedures were performed:</p> <ul style="list-style-type: none"> • provided direction and supervision of the group audit engagement and ensure that all the teams involved in the audit of the group and its components performed the audit in compliance with professional standards and applicable legal and regulatory requirements. • established an overall group audit strategy and developed a group audit plan. • Set materiality for the group financial statements as a whole when establishing the overall group audit strategy. • Determined the type of work to be performed on the Financial Information of Components based on quantitative considerations (i.e. size and materiality) and qualitative considerations (i.e. specific risks associated with the component) including further audit procedures to be performed at the group level and at component level. • Held meetings and two-way communication with the Component Auditors with focus on discussing typical topics that are discussed in client’s meetings throughout the audit. • Performed an assessment of the component auditors in terms of Independence, competence, quality history and level of access to information.

Key audit matter	How our audit addressed the key audit matter
Group Audit Consideration - Special Considerations for the Audit of Group Financial Statements	
	<ul style="list-style-type: none"> • Issued referral instructions to the significant component audit team. The referral instructions contained specific instructions on judgement areas and significant account balances. • Arranged review of the file and relevant part of the component auditors’ audit documentation and conclusions thereon including planning considerations, significant risk areas and attention areas communicated in the Referral Instructions. • Performed analytical procedures at group level for significant account balances not selected for further audit procedure. • Reviewed the group financial statements and the consolidation process. • Held communication with group management and Those Charged with Governance of the group. <p>Based on the review we have performed, and documentation assessed, we have no material exceptions.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “UPDC Plc Annual Financial Statements for the year ended 31 December 2024”, which includes the Directors’ Report, Corporate Governance Report, Statement of Directors’ Responsibilities, Certification of the Financial statements, the Board Audit Committee’s Report, the Statement of Corporate Responsibility for Financial Statements, Certification of Management’s assessment on Internal Control Over Financial Reporting and Other National Disclosures required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the



other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of Companies and Allied Matters Act we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group and the Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



In accordance with the requirements of the Financial Reporting Council of Nigeria, we also performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with **FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting** and based on the procedures we have performed, and evidence obtained, we have issued an Unmodified conclusion in our report dated 16 April 2025. That report is included on pages 27 to 29 of the financial statements.

Contraventions

During the year, the group contravene requirements of SEC and NGX Regulation Limited with regard to late submission of the annual financial statements for the year 2023. Details of the contravention and the related penalties are as disclosed in note 32 to the consolidated and separate financial statements.

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
16 April 2025



Engagement Partner: Hassan Lawal, FCA
FRC/2013/PRO/ICAN/004/00000001382

UPDC Plc
**Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024**


	Notes	The Group		The Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue	5	11,786,913	5,343,622	4,401,353	2,397,109
Cost of sales	7(i)	(8,388,112)	(3,442,302)	(3,191,829)	(1,619,274)
Gross profit		3,398,801	1,901,320	1,209,524	777,835
Selling and distribution expenses	7 (ii)	(550,067)	(111,240)	(145,829)	(86,086)
Administrative expenses	7 (iii)	(1,972,421)	(1,637,117)	(1,012,547)	(668,591)
Other Operating income	6	434,071	501,063	193,940	617,438
Credit loss expenses	9	(163,604)	(84,924)	(41,514)	(122,422)
Share of loss from joint venture	15(i)	-	(5,506)	-	(5,506)
Operating profit		1,146,780	563,596	203,574	512,668
Finance income	8	559,973	239,528	515,542	227,197
Finance cost	8	(397,834)	(423,189)	(397,834)	(423,189)
Net finance income/(cost)		162,139	(183,661)	117,708	(195,992)
Profit before taxation		1,308,919	379,935	321,282	316,676
Taxation	10	(472,010)	(158,430)	(35,385)	(24,024)
Profit after Taxation		836,909	221,505	285,897	292,652
Other comprehensive income:					
<i>Items not to be subsequently reclassified to profit or loss:</i>					
Net changes in fair value (loss)/gain on financial assets	16	(186,779)	453,606	(186,779)	453,606
Total comprehensive profit for the year		650,130	675,111	99,118	746,258
Profit attributable to:					
Equity holders of the parent		432,190	253,513	285,897	292,652
Non controlling interest		404,719	(32,008)	-	-
Total profit		836,909	221,505	285,897	292,652
Total comprehensive profit attributable to:					
Equity holders of the parent		245,411	707,119	99,118	746,258
Non controlling interests		404,719	(32,008)	-	-
Total comprehensive profit attributable to:		650,130	675,111	99,118	746,258
Earnings per share for profit attributable to the equity holders of the group:					
Basic Earnings Per Share (Kobo)					
From continuing operations	12	5	1	2	2
Diluted Profit Per Share (Kobo)					
From continuing operations	12	5	1	2	2

The accompanying notes and accounting policies on pages 40 to 74 form an integral part of these consolidated and separate financial statements.

UPDC Plc
Consolidated and Separate Statement of Financial Position
As at 31 December 2024

	Notes	The Group		The Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Assets					
Non-current assets					
Property, plant and equipment	13	8,252,734	8,334,497	61,119	69,879
Intangible assets	14	56,303	52,199	5,471	7,886
Investments in joint ventures	15	120,141	120,141	119,337	119,337
Equity instrument at fair value	16	667,067	853,846	667,067	853,846
Investments in subsidiaries	17	-	-	1,617,187	1,616,697
		9,096,245	9,360,683	2,470,181	2,667,645
Current assets					
Inventories	18	8,729,999	3,200,158	1,079,068	3,148,590
Trade and other receivables	19	1,509,965	2,037,980	2,597,935	2,019,295
Current tax assets	10 (i)	147,200	147,200	147,200	147,200
Cash at bank and in hand	20	11,504,698	4,918,009	4,238,385	4,097,627
		21,891,862	10,303,347	8,062,588	9,412,712
Total assets		30,988,107	19,664,030	10,532,769	12,080,357
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)	100,060	286,839	100,060	286,839
Retained earnings	25 (ii)	(9,148,885)	(9,581,075)	(16,966,787)	(17,252,684)
Equity attributable to equity holders of the Company		9,202,711	8,957,300	1,384,809	1,285,691
Non controlling interest		282,842	(121,877)	-	-
Total equity		9,485,553	8,835,423	1,384,809	1,285,691
Liabilities					
Non-current liabilities					
Interest bearing Loans and Borrowings	21	3,022,763	4,702,096	3,022,763	4,702,096
Deferred taxation liabilities	24	83,354	72,537	72,537	72,537
		3,106,117	4,774,633	3,095,300	4,774,633
Current liabilities					
Trade and other payables	22	17,788,961	5,815,764	5,878,291	5,918,169
Current income tax liabilities	10	490,889	167,485	57,782	31,138
Interest bearing Loans and Borrowings	21	116,587	70,725	116,587	70,725
		18,396,437	6,053,974	6,052,660	6,020,033
Total liabilities		21,502,554	10,828,607	9,147,960	10,794,666
Total equity and liabilities		30,988,107	19,664,030	10,532,769	12,080,357

The Consolidated and Separate financial statements were approved by the board of directors on 25 March 2025 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



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

The accompanying notes and accounting policies on pages 40 to 74 form an integral part of these consolidated and separate financial statements.

UPDC Plc
Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Notes	The Group		The Company	
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
Profit before tax		1,308,919	379,935	321,282	316,676
Adjustment for non cash items:					
Depreciation	13	308,877	115,665	29,120	12,615
Amortization of intangible asset	14	6,633	4,787	2,414	3,084
Share of loss from investment in Joint Venture	15(i)	-	5,506	-	5,506
Investment income	6	(59,264)	(46,891)	(59,270)	(84,900)
Finance cost	8	397,834	423,189	397,834	423,189
Finance income	8	(559,973)	(239,528)	(515,542)	(227,197)
Exchange gains	6	(12,479)	(16,380)	(12,479)	(16,380)
Withholding tax utilized for tax	10	-	(25,403)	-	(25,403)
		1,390,547	600,880	163,359	407,190
Changes in working capital:					
(Increase)/decrease in inventories	18	(5,529,841)	2,065,601	2,069,522	778,630
Decrease/(increase) in trade and other receivables	19	528,015	(145,500)	(578,640)	(57,602)
Increase/(decrease) in trade and other payables	22	11,973,197	(432,153)	(39,878)	590,573
Cash flow from operating activities		8,361,918	2,088,828	1,614,362	1,718,791
Tax paid	10	(137,789)	(110,069)	(8,741)	(4,811)
Net Cash inflow from operating activities		8,224,129	1,978,759	1,605,621	1,713,980
Cash flow from investing activities					
Purchase of property, plant & equipment	13	(227,114)	(60,003)	(20,359)	(53,750)
Purchase of intangible asset	14	(10,736)	(11,546)	-	-
Dividend received	6	59,264	46,891	59,270	84,900
Investment in subsidiary	17	-	-	(490)	-
Interest received	8	559,973	239,528	515,542	227,197
Net cash flow from investing activities		381,387	214,870	553,963	258,347
Cash flow from financing activities					
Repayment of borrowings	21	(1,679,333)	-	(1,679,333)	-
Interest paid	21	(351,972)	(423,189)	(351,972)	(423,189)
Dividend paid to non-controlling		-	(30,286)	-	-
Net cash outflows from financing activities		(2,031,305)	(453,475)	(2,031,305)	(423,189)
Net increase in cash and cash equivalents		6,574,210	1,740,154	128,279	1,549,138
Effect of foreign exchange gains	6	12,479	16,380	12,479	16,380
Cash and cash equivalents at the beginning of the year	20	4,918,009	3,161,475	4,097,627	2,532,109
Cash and cash equivalents at the end of the year	20	11,504,698	4,918,009	4,238,385	4,097,627

The accompanying notes and accounting policies on pages 40 to 74 form an integral part of these consolidated and separate financial statements.

UPDC Plc
Consolidated and Separate Statement of Changes in Equity
For the year ended 31 December 2024

	Attributable to owners of the Company					The Group Non-Controlling		
	Share Capital N'000	Share Premium N'000	Retained earnings N'000	Other Reserves N'000	Fair value reserve of financial assets at FVOCI N'000	Total N'000	Non Controlling interest N'000	Total N'000
Balance at 1 January 2024	9,279,985	8,971,551	(9,581,075)	-	286,839	8,957,300	(121,877)	8,835,423
Profit for the year	-	-	432,190	-	-	432,190	404,719	836,909
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	(186,779)	(186,779)	-	(186,779)
Balance at 31 December 2024	9,279,985	8,971,551	(9,148,885)	-	100,060	9,202,710	282,842	9,485,553
Balance at 1 January 2023	9,279,985	8,971,551	(9,834,588)	-	(166,767)	8,250,180	(59,583)	8,190,597
Profit for the year	-	-	253,513	-	-	253,513	(32,008)	221,506
Dividend paid	-	-	-	-	-	-	(30,286)	(30,286)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	453,606	453,606	-	453,606
Balance at 31 December 2023	9,279,985	8,971,551	(9,581,075)	-	286,839	8,957,300	(121,877)	8,835,423

	The Company Attributable to owners of the Company					
	Share Capital N'000	Share Premium N'000	Revenue Reserve N'000	Other Reserves N'000	Fair value reserve of financial assets at FVOCI N'000	Total N'000
Balance at 1 January 2024	9,279,985	8,971,551	(17,252,684)	-	286,839	1,285,689
Profit for the year	-	-	285,897	-	-	285,897
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	(186,779)	(186,779)
Balance at 31 December 2024	9,279,985	8,971,551	(16,966,787)	-	100,060	1,384,809
Balance at 1 January 2023	9,279,985	8,971,551	(17,545,336)	-	(166,767)	539,433
Profit for the year	-	-	292,652	-	-	292,652
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	453,606	453,606
Balance at 31 December 2023	9,279,985	8,971,551	(17,252,684)	-	286,839	1,285,691

The accompanying notes and accounting policies on pages 40 to 74 form an integral part of these consolidated and separate financial statements.

1. General information

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

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

1.1 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.

UPDC Plc's management assessed the effectiveness of the Company's internal controls within the reporting period. Based on our assessment, we believe that as of 31 December 2024, the Group and the Company's internal control is effective. We will continue to work on further strengthening this position.

2. Summary of Material accounting policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards 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)

**2.1.2 Changes in accounting policy and disclosures
New and amended standards and interpretations**

The Group and the Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Group and Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1.3 Standards issued but not yet effective

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 titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented. In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability. The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions..

The directors of the Company does not expect that the application of these amendments will have an impact on the company's financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual Companies and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply

IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- Clarifies the treatment of non-recourse assets and contractually linked instruments.
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments. The amendment is not expected to have any material impact on the Group's consolidated financial statements.

Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The Company is still assessing the impact of the amendments.

2.1.4 New standards and interpretations effective in the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)-(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

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

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements– Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IFRS 16 Leases–Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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 venture. 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.

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Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

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

(c) Group companies

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

- (a) assets and liabilities for each item of Statement of Financial Position presented are translated at the closing rate at the reporting date;
- (b) income and expenses for each Profit or Loss item are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

2.5 Property, plant and equipment

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

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

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

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

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

Lease terms vary from 5 to 99 years

Plant and Machinery

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

Motor Vehicles

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

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

The depreciation on property, plant and equipment is recognised in profit or loss in the year in which it occurred. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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

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

2.6 Intangible assets

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

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

Computer software

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

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

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

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

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

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

2.7 Investment properties

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

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

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

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

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

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

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

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

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

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

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

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

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

2.8 Impairment of non-financial assets

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

2.9 Financial Instruments-recognition and subsequent measurement

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

Financial Assets

Initial recognition

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

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

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

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

Recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the 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, is presented as non-current asset.

Derecognition

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

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

.. .

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

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

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

Impairment of financial assets

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

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

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

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

Significant increase in credit risk

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

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

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

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

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

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

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

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

2.10 Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group and 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 guarantees contracts are contracts that require the Group and Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given on behalf of debtors to secure loans.

The fair value of a financial guarantee contract is calculated as the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. Cost incurred on financial 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.

2.1 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.

2.1 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/0000000754) who hold recognised relevant professional qualifications and have relevant experience in the locations and categories of the inventories valued.

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Profit or Loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

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

2.20 Employee benefits

(a) Defined contributory schemes

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

Pension scheme

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

Short-term benefits

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

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

Termination benefits

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

(b) Profit-sharing and bonus plans

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

2.21 Revenue from contracts with customers

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

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

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

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

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

Sale of goods - Sale of Property Stock

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

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

Significant financing component

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

Contract Balances:

Trade Receivables

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

Contract Liabilities

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

2.2 Leases

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

Group and Company as a lessee

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

Right-of-use assets (ROU)

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

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

Short-term leases

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

Group and Company as a lessor

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

2.2 Dividend distribution

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

3. Financial risk management

3.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

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

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

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

The Group	2024			
	USD 000	GBP 000	Euro 000	
Financial assets				
Cash at bank and in hand	19	-	5	
	19	-	5	
	2023			
	USD 000	GBP 000	Euro 000	
Financial assets				
Cash at bank and in hand	22	-	5	
	22	-	5	
	2024			
The Company	USD 000	GBP 000	Euro 000	
Financial assets				
Cash at bank and in hand	19	-	5	
	19	-	5	
	2023			
	USD 000	GBP 000	Euro 000	
Financial assets				
Cash at bank and in hand	22	-	5	
	22	-	5	
	The Group	The Company	The Group	The Company
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
The total impact on profit and equity if Naira were to increase/decrease by 2% across currencies would be as follows	826	427	826	427

In 2024 and 2023, Management considered a 2% shift in foreign currency exchange rate appropriate to determine the sensitivity of foreign currency denominated financial assets and liabilities vis a vis the Naira.

(ii) Price risk

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

	Change in price	The Group	The Company	
		Effect on equity N'000	N'000	
UPDC REIT	2024	(5%)	33,353	33,353

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk as the Group invests in financial instruments at both fixed and floating rate. The risk is managed by the Group by maintaining its' investment on short term tenored investment, hence the Group has no significant concentration of interest rate risk.

(b) Credit risk

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

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

Trade receivables

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

Deposits with banks and other financial institutions

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

Impairment losses

Trade receivables

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

31 December 2024	The Group					
	Trade Receivables					
	Date Past Due					
	1-3 months	4-6 months	7-9 months	10-12 months	Above 12 months	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	0%	0%	8%	22%	100%	
Estimated total gross carrying amount at default	160,514	42,500	60,234	162,280	909,027	1,334,555
Expected credit loss	-	-	4,819	35,702	909,027	949,547

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

31 December 2024	The Company					
	Trade Receivables					
	Date Past Due					
	1-3 months	4-6 months	7-9 months	10-12 months	Above 12 months	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	0%	0%	10%	37%	100%	
Estimated total gross carrying amount at default	27,628	15,787	-	-	878,947	922,362
Expected credit loss	-	-	-	-	878,947	878,947

31 December 2023	Trade Receivables					
	Date Past Due					
	1-3 months	4-6 months	7-9 months	10-12 months	Above 12 months	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss rate	0%	0%	10%	37%	100%	
Estimated total gross carrying amount at default	118,375	-	58,050	32,250	861,145	1,069,820
Expected credit loss	-	-	5,805	11,997	861,145	878,947

Set out below is the movement in the allowance for expected credit losses of trade receivables:	The Group		The Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Balance as at 1 January	790,744	861,496	878,947	809,557
Write off during the year	-	76,673	-	76,673
Provision for expected credit losses	158,803	(147,426)	-	(100,823)
Balance at 31 December	949,547	790,744	878,947	878,947

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

Expected credit loss measurement - other financial assets

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

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

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

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

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

Analysis of inputs to the ECL model under multiple economic scenarios

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

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

31 December 2024	The Group			The Company		
	Short-term deposit N'000	Intercompany receivables N'000	Total N'000	Short-term deposit N'000	Intercompany receivables N'000	Total N'000
Upside (10%)	20	325,131	325,151	20	1,733,850	1,733,870
Base (81%)	165	2,633,559	2,633,724	165	14,044,182	14,044,346
Downside (9%)	18	292,618	292,636	18	1,560,465	1,560,483
Total	203	3,251,307	3,251,510	203	17,338,496	17,338,699

31 December 2023	The Group			The Company		
	Short-term deposit N'000	Intercompany receivables N'000	Total N'000	Short-term deposit N'000	Intercompany receivables N'000	Total N'000
Upside (10%)	15	324,656	324,671	15	1,729,704	1,729,719
Base (81%)	121	2,629,714	2,629,835	119	14,010,600	14,010,719
Downside (9%)	13	292,190	292,204	15	1,556,733	1,556,748
Total	149	3,246,560	3,246,709	149	17,297,037	17,297,186

Short-term deposits

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

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2024	3,415,552	-	-	3,415,552	3,415,552	-	-	3,415,552
New asset purchased	8,935,970	-	-	8,935,970	3,691,538	-	-	3,691,538
Asset derecognised or repaid (excluding write offs)	(3,415,552)	-	-	(3,415,552)	(3,415,552)	-	-	(3,415,552)
At 31 December 2024	8,935,970	-	-	8,935,970	3,691,538	-	-	3,691,538

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	149	-	-	149	149	-	-	149
New asset purchased	203	-	-	203	203	-	-	203
Asset derecognised or repaid (excluding write offs)	(149)	-	-	(149)	(149)	-	-	(149)
At 31 December 2024	203	-	-	203	203	-	-	203

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

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

3. Financial risk management - Continued

3.1 Financial risk factors - Continued

Intercompany receivables

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

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2024	4,231,593	-	-	4,231,593	18,773,417	-	-	18,773,417
Changes in receivables	(498,659)	-	-	(498,659)	843,990	-	-	843,990
At 31 December 2024	3,732,934	-	-	3,732,934	19,617,407	-	-	19,617,406
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2024	3,246,560	-	-	3,246,560	17,297,037	-	-	17,297,038
Charge for the year	4,747	-	-	4,747	41,459	-	-	41,459
At 31 December 2024	3,251,307	-	-	3,251,307	17,338,496	-	-	17,338,497
Net Intercompany receivables as at 31 December 2024 - Note 28				481,626				2,278,909

	The Group				The Company			
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
Gross carrying amount as at 1 January 2023	4,345,254	-	-	4,345,254	18,725,103	-	-	18,725,103
Changes in receivables	(113,661)	-	-	(113,661)	48,314	-	-	48,314
At 31 December 2023	4,231,593	-	-	4,231,593	18,773,417	-	-	18,773,417
	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000	Stage 1 N'000	Stage 2 N'000	Stage 3 N'000	Total N'000
ECL allowance as at 1 January 2023	3,187,520	-	-	3,187,520	17,236,555	-	-	17,236,555
(Unused amount reversed)/Charge for the year	59,040	-	-	59,040	60,482	-	-	60,482
At 31 December 2023	3,246,560	-	-	3,246,560	17,297,037	-	-	17,297,037
Net Intercompany receivables as at 31 December 2023 - Note 28				985,032				1,476,380

Impairment allowance for financial assets under general approach

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

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

3. Financial risk management - Continued

3.1 Financial risk factors - Continued

(c) Liquidity risk

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

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

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

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

	The Group					Contractual amount	Carrying value
	Less than 3 months	Between 3 Months and 1 year	Between 1 and 2 years	Over 2 years			
At 31 December 2024	N'000	N'000	N'000			N'000	N'000
Interest bearing loans and borrowings	116,587	389,814	317,267	3,158,664	3,982,332	3,139,350	
Trade and other payables	-	4,644,079	-	-	4,644,079	4,644,079	
	116,587	5,033,893	317,267	3,158,664	8,626,411	7,783,429	

Restated

	The Group					Contractual amount	Carrying value
	Less than 3 months	Between 3 Months and 1 year	Between 1 and 2 years	Over 2 years			
At 31 December 2023	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings *	-	368,001	211,478	4,744,299	5,323,778	4,772,821	
Trade and other payables	-	2,191,322	-	-	2,191,322	2,191,322	
Non-financial liabilities	-	-	-	-	-	-	
	-	2,559,323	211,478	4,744,299	7,515,100	6,964,143	

	The Company					Contractual amount	Carrying value
	Less than 3 months	Between 3 Months and 1 year	Between 1 and 2 years	Over 2 years			
At 31 December 2024	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings	116,587	389,814	317,267	3,022,763	3,846,431	3,139,350	
Trade and other payables	-	2,896,915	-	-	2,896,915	2,896,915	
	116,587	3,286,729	317,267	3,022,763	6,743,346	6,036,265	

Restated

	The Company					Contractual amount	Carrying value
	Less than 3 months	Between 3 Months and 1 year	Between 1 and 2 years	Over 2 years			
At 31 December 2023	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Interest bearing loans and borrowings *	-	368,001	211,478	4,744,299	5,323,778	4,772,821	
Trade and other payables	-	3,177,507	-	-	3,177,507	3,177,507	
	-	3,545,508	211,478	4,744,299	8,501,285	7,950,328	

* Refer to note 33 for restatement of comparative figures.

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

3. Financial risk management - Continued

3.2 Capital risk management

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

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

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

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

No formal debt equity target has been established.

	The Group		The Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Interest bearing debt	3,139,350	4,772,821	3,139,350	4,772,821
Trade and other payables	17,788,961	5,815,764	5,878,291	5,918,172
Total debt	20,928,311	10,588,584	9,017,641	10,690,993
Total capital	9,202,711	8,957,300	1,384,809	1,285,692
Capital and net debt	30,131,022	19,545,885	10,402,450	11,976,685
Gearing ratio	69%	54%	87%	89%

3.3 Fair value estimation

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

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

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

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

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

	The Group				The Company			
	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000
31-Dec-24								
Assets measured at fair value								
Equity instrument at fair value through OCI	667,067	667,067	-	-	667,067	667,067	-	-
Assets measured at amortised cost with fair value disclosure								
Trade receivables	385,008	-	-	385,008	43,415	-	-	43,415
Receivables from group companies	481,626	-	-	481,626	2,278,911	-	-	2,278,911
Cash at bank and in hand	11,504,698	-	-	11,504,698	2,496,819	-	-	2,496,819
Liabilities for which fair values are disclosed:								
Interest-bearing loans and borrowings	3,139,350	-	-	3,139,350	3,139,350	-	-	3,139,350
Trade Payables and other payables	3,012,345	-	-	3,012,345	2,496,819	-	-	2,496,819

	The Group				The Company			
	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000	Total N'000	Quoted price in active market (Level 1) N'000	Significant observable input (Level 2) N'000	Significant unobservable input (Level 3) N'000
31-Dec-23								
Assets measured at fair value								
Equity instrument at fair value through OCI	853,846	853,846	-	-	853,846	853,846	-	-
Assets measured at amortised cost with fair value disclosure								
Trade receivables	442,409	-	-	442,409	190,873	-	-	1,157,733
Receivables from group companies	985,032	-	-	985,032	1,476,380	-	-	3,161,475
Cash at bank and in hand	4,918,009	4,918,009	-	-	4,097,627	4,097,627	-	4,097,627
Liabilities for which fair values are disclosed:								
Interest-bearing loans and borrowings	4,772,821	-	-	4,772,821	4,772,821	-	-	4,772,821
Trade Payables and other payables	5,815,767	-	-	5,815,767	5,918,172	-	-	5,918,172

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

3. Financial risk management - Continued

i) Assets measured at fair values

Investment properties: The valuation techniques used and key inputs to valuation of investment properties have been disclosed in Note 15.

ii) Liabilities for which fair values are disclosed

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

3.3 Fair value estimation

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

	The Group			
	2024		2023	
	Carrying Value N'000	Fair Value N'000	Carrying Value N'000	Fair Value N'000
Assets				
Assets measured at fair value				
Equity instrument at fair value through OCI	667,067	667,067	853,846	853,846
Assets measured at amortised cost with fair value disclosure				
Trade receivables	385,008	385,008	442,409	442,409
Receivables from group companies	481,626	481,626	985,032	985,032
Cash at bank and in hand	11,504,698	11,504,698	4,918,009	4,918,009
Liabilities				
Interest bearing loans and borrowings	3,139,350	3,139,350	4,772,821	4,772,821
Trade Payables and other payables	3,012,345	3,012,345	5,815,767	5,815,767
	The Company			
	2024		2023	
	Carrying Value N'000	Fair Value N'000	Carrying Value N'000	Fair Value N'000
Assets				
Assets measured at fair value				
Equity instrument at fair value through OCI	667,067	667,067	853,846	853,846
Assets measured at amortised cost with fair value disclosure				
Trade receivables	43,415	43,415	190,873	190,873
Receivables from group companies	2,278,911	2,278,911	1,476,380	1,476,380
Cash at bank and in hand	4,238,385	4,238,385	4,097,627	4,097,627
Liabilities				
Interest bearing loans and borrowings	3,139,350	3,139,350	4,772,821	4,772,821
Trade and other payables	2,496,819	2,496,819	5,918,172	5,918,172

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

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

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

3.4 Financial instruments by category

	The Group	
	2024	2023
	N'000	N'000
Financial assets		
Equity instrument at fair value through OCI		
Trade and other receivables	866,634	1,427,441
Cash at bank and in hand	11,504,698	4,918,009
Financial liabilities		
Interest bearing Loans and Borrowings	3,139,350	4,772,821
Trade and other payables	3,012,345	5,815,767
	The Company	
	2024	2023
	N'000	N'000
Financial assets		
Equity instrument at fair value through OCI		
Trade and other receivables	2,322,326	1,667,253
Cash at bank and in hand	4,238,385	4,097,627
Financial liabilities		
Interest bearing Loans and Borrowings	3,139,350	4,772,821
Trade and other payables	2,496,819	5,918,172

4. Material accounting judgements, estimates and assumptions

4.1 Material estimates

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

4.2 Material judgements

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

a) Revenue from Contracts with Customers

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

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

4.3 Estimates and assumptions**a) Financial Instruments****Provision for expected credit losses of trade receivables**

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

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

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

Impairment losses on intercompany receivables and short term deposits

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

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

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

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.

UPDC Plc
Notes to the Consolidated and Separate Financial Statements - Continued
For the year ended 31 December 2024

5. Segment Analysis

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

Nigeria is the Company's primary geographical segment as the operations of the Company are entirely carried out in Nigeria. As at 31 December 2024, 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
31 December 2024			
Total Revenue	10,322,899	1,464,014	11,786,913
Intergroup revenue	-	-	-
Revenue to third parties	10,322,899	1,464,014	11,786,913
Earnings before interest and tax	1,403,015	(256,235)	1,146,780
Profit before tax	1,565,154	(256,235)	1,308,919
Net current asset/(liability)	4,469,924	(974,498)	3,495,425
Property, plant and equipment	129,292	8,123,441	8,252,734
31 December 2023			
Total Revenue	4,495,232	848,390	5,343,622
Intergroup revenue	-	-	-
Revenue to third parties	4,495,232	848,390	5,343,622
Earnings before interest and tax	563,596	(286,014)	277,581
Profit/(loss) before tax	664,971	(285,036)	379,935
Net current asset/(liability)	5,157,309	(907,937)	4,249,370
Property, plant and equipment	79,063	8,255,434	8,334,497
	The Company		
	Property development sales & management N'000	Total N'000	
31 December 2024			
Total revenue	4,401,353	4,401,353	
Intergroup revenue	-	-	
Revenue from third parties	4,401,353	4,401,353	
Profit before interest and tax	203,574	203,574	
Profit before tax	321,282	321,282	
Net current assets	2,009,927	2,009,927	
Property, plant and equipment	61,119	61,119	
	The Company		
	Property development sales & management N'000	Total N'000	
31 December 2023			
Total revenue	2,397,109	2,397,109	
Intergroup revenue	-	-	
Revenue from third parties	2,397,109	2,397,109	
Earnings before interest and tax	512,668	512,668	
Earnings before tax	316,676	316,676	
Net current assets	3,392,680	3,392,680	
Property, plant and equipment	69,879	69,879	

UPDC Plc
Notes to the Consolidated and Separate Financial Statements - Continued
For the year ended 31 December 2024

5.1. Revenue from contracts with customers - Continued

Geographical markets	N'000	N'000	N'000
Within Nigeria	4,495,232	848,390	5,343,622
Outside Nigeria	-	-	-
Total revenue from contracts with customers	4,495,232	848,390	5,343,622
Rental income	-	-	-
Total revenue	4,495,232	848,390	5,343,622

Timing of revenue recognition

Goods transferred at a point in time	3,694,512	-	3,694,512
Services transferred over time	800,720	848,390	1,649,110
Total revenue from contracts with customers	4,495,232	848,390	5,343,622
Rental income	-	-	-
Total revenue	4,495,232	848,390	5,343,622

For the year ended 31 December 2024

The Company	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
Type of goods or service			
Sale of Property Stock	4,081,155	-	4,081,155
Project/ Asset Management Fee	320,198	-	320,198
Revenue from contracts with customers	4,401,353	-	4,401,353
Rental income	-	-	-
Total revenue	4,401,353	-	4,401,353

Geographical markets

Within Nigeria	4,401,353	-	-	4,401,353
Outside Nigeria	-	-	-	-
Total revenue from contracts with customers	4,401,353	-	-	4,401,353
Rental income	-	-	-	-
Total revenue	4,401,353	-	-	4,401,353

Timing of revenue recognition

Goods transferred at a point in time	4,081,155	-	-	4,081,155
Services transferred over time	320,198	-	-	320,198
Total revenue from contracts with customers	4,401,353	-	-	4,401,353
Rental income	-	-	-	-
Total revenue	4,401,353	-	-	4,401,353

For the year ended 31 December 2023

The Company	Property Development Sales & Management N'000	Hospitality Services N'000	Total N'000
Type of goods or service			
Sale of Property Stock	1,963,420	-	1,963,420
Project/ Asset Management Fee	433,690	-	433,690
Revenue from contracts with customers	2,397,109	-	2,397,109
Rental income	-	-	-
Total revenue	2,397,109	-	2,397,109

UPDC Plc
Notes to the Consolidated and Separate Financial Statements - Continued
For the year ended 31 December 2024

5.1. Revenue from contracts with customers - Continued

Geographical markets

Within Nigeria	2,397,109	-	2,397,109
Outside Nigeria	-	-	-
Total revenue from contracts with customers	2,397,109	-	2,397,109
Rental income	-	-	-
Total revenue	2,397,109	-	2,397,109

Timing of revenue recognition

Goods transferred at a point in time	1,963,420	-	1,963,420
Services transferred over time	433,690	-	433,690
Total revenue from contracts with customers	2,397,109	-	2,397,109
Rental income	-	-	-
Total revenue	2,397,109	-	2,397,109

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	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Contract balances				
Trade receivables - Note 19	385,008	442,409	43,415	190,873
Customers deposit liabilities - Note 22	2,478,520	2,373,761	2,434,177	2,043,812

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

In 2024, N950 million (Company: N879million) was recognised as provision for expected credit losses on trade receivables (2023:N791 million for Group and N879 million 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:

<ul style="list-style-type: none"> 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 	<p>IFRS 15.119(a) IFRS 15.119(b) IFRS 15.119(c) IFRS 15.119(d)</p>
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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

UPDC Plc
Notes to the Consolidated and Separate Financial Statements - Continued
For the year ended 31 December 2024

6. Other income

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Dividend income	59,264	46,891	59,270	84,900
Legal, Transfer and title regularisation fees	93,921	91,657	93,921	91,657
Premium fee on rent to own scheme	5,031	63,520	5,031	63,520
Project supervision services to Deep Horizon Inv. Ltd.	-	-	-	116,968
Provision no longer required	-	120,000	-	120,000
Exchange gain	12,479	16,380	12,479	16,380
Recovery on facility management*	228,415	38,602	-	-
Commission from sales of 3rd party properties	23,238	-	23,238	-
Branding and other supervision fee	-	120,000	-	120,000
Others	11,723	4,013	-	4,013
Total other income	434,071	501,063	193,940	617,438

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

7. Expenses by nature

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
7.(i) Cost of sales				
Change in inventories of finished goods & other direct costs of inventories	8,197,142	3,077,479	3,000,859	1,510,449
Personnel expenses (Note 7b)	93,723	259,109	93,723	37,785
Directors' emoluments (Note 7b(ii))	16,738	45,774	16,738	45,774
Agency Fees	77,092	58,537	77,092	23,863
Others	3,416	1,403	3,416	1,403
	8,388,112	3,442,302	3,191,829	1,619,274

7.(ii) Selling and distribution expenses

Personnel expenses (Note 7b)	74,733	34,924	74,733	34,704
Marketing, advertising & communication	314,784	76,316	71,096	51,382
Others	160,550	-	-	-
	550,067	111,240	145,829	86,086

7.(iii) Administrative expenses

Property Maintenance expenses	35,502	25,574	35,502	25,574
Personnel expenses (Note 7b)	710,626	357,043	311,748	206,678
Depreciation of Property, Plant & Equipment	52,671	115,665	29,120	12,615
Amortization of intangible asset (Note 14)	6,633	4,787	2,414	3,085
Rent and rates	13,842	13,309	13,842	13,309
Vehicles repairs, maintenance & fueling	23,938	53,392	17,624	6,967
Other repairs & maintenance	85,416	105,187	4,905	34,132
Legal expenses	24,620	47,345	23,533	47,076
Auditors' remuneration*	51,821	26,516	33,863	21,000
Directors' emoluments (Note 7b(ii))	108,492	107,484	108,492	107,484
Information Technology	179,873	78,574	159,158	42,212
Insurance	51,826	62,777	16,485	14,706
Communication expenses	28,313	-	26,503	-
Professional fees	87,275	132,059	73,023	46,794
Printing and stationery	17,332	12,496	15,728	5,533
Energy Cost - UPDC Hotel Ltd.	-	112,486	-	-
Listing/ Regulatory fees	5,632	44,920	5,632	-
Shortfall compensation	-	128,921	-	-
Security, waste disposal & service charge	-	56,235	-	-
Others	488,608	152,347	134,974	81,426
	1,972,421	1,637,117	1,012,547	668,591

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

7b. Personnel expenses

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Personnel expenses include:				
<i>Wages and salaries:</i>				
Cost of sales	93,723	259,109	93,723	37,785
Selling and distribution expenses	74,733	34,924	74,733	34,704
Administrative expenses	710,626	357,043	311,748	206,678
	879,082	651,076	480,204	279,167

Particulars of Directors and Staff

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

	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Key management personnel compensation:				
Short term benefit	233,461	242,061	141,874	150,474
Post employment benefits	10,416	10,416	7,994	7,994
	243,877	252,477	149,868	158,468
Directors' emoluments:				
Fees	3,400	3,400	3,400	3,400
Other emoluments	121,830	149,858	121,830	149,858
	125,230	153,258	125,230	153,258
Other staff personnel compensation:				
Short term benefit	563,507	380,059	291,547	113,349
Post employment benefits	54,960	18,320	22,050	7,350
	618,467	398,379	313,597	120,699
Total	987,574	804,114	588,696	432,425

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

N	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
60,000 - 999,999	106	102	9	8
1,000,000 - 1,999,999	62	45	6	4
2,000,000 - 2,999,999	33	26	3	7
3,000,000 - 3,999,999	15	12	5	4
4,000,000 - 4,999,999	19	10	9	5
5,000,000 - 5,999,999	11	5	2	4
6,000,000 - and above	36	21	17	14
	282	221	51	46

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
(ii) Emoluments of Directors				
Fees	3,400	3,400	3,400	3,400
Other emoluments	121,830	149,858	121,830	149,858
	125,230	153,258	125,230	153,258

(iii) The Chairman's emolument.

(iv) Emolument of the highest paid director.

	1,700	1,700	1,700	1,700
	71,354	71,354	71,354	71,354

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

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

N	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	Number	Number	Number	Number
1,000,001 - 9,000,000	4	4	4	4
9,000,001 - 14,000,000	0	0	0	0
14,000,001 and above	3	3	2	3
	7	7	6	7

8. Net Finance Income/(Cost)

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Finance Income	559,973	239,528	515,542	227,197
Interest on borrowings	(397,834)	(423,189)	(397,834)	(423,189)
Finance Costs	(397,834)	(423,189)	(397,834)	(423,189)
Net Finance income/(cost)	162,139	(183,661)	117,708	(195,992)

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

Finance cost relate to interest on borrowings.

9. Credit loss expense

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Receivable in UPDC Metro City Ltd.	2,216	2,621	2,216	(84,771)
Impairment of receivable of UPDC Hotels Ltd.	-	-	37,124	127,571
Receivable in Pinnacle Apartment Development Ltd.	2,119	9,167	2,119	9,167
Receivable in other related parties	412	-	-	-
Receivable of UPDC FM LTD	-	-	-	(437)
Impairments of trade receivables	158,803	73,309	-	70,833
Impairments of short term investment	54	(172)	54	59
	163,604	84,924	41,514	122,422

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	The Group					
	2024			2023		
	Stage 1 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 3 Individual	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Short term deposits	54	-	54	(172)		(172)
Related party receivables	4,747	-	4,747	11,787		11,787
Trade receivables	-	158,803	158,803		73,309	73,309
	4,801	158,803	163,604	11,615	73,309	84,924

	The Company					
	2024			2023		
	Stage 1 Individual	Stage 3 Individual	Total	Stage 1 Individual	Stage 3 Individual	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Short term deposits	54	-	54	59	-	59
Related party receivables	41,459	-	41,459	51,530	-	51,530
Trade receivables	-	-	-	-	70,833	70,833
	41,514	-	41,514	51,589	70,833	122,422

10. Taxation	Restated				Restated	
	The Group			The Company		
	31 Dec 24	31 Dec 23		31 Dec 24	31 Dec 23	
	N'000	N'000		N'000	N'000	
<i>Current tax</i>						
Minimum tax charge for the year	25,258	19,439		25,258	15,197	
Current income tax *	382,755	127,134		-	-	
Education tax *	53,115	12,317		10,111	8,811	
Police Trust Fund *	65	19		16	16	
Total current tax charge	461,193	158,909		35,385	24,024	
Total deferred tax (note 24)	10,817	(479)		-	-	
Total deferred tax (note 24)	10,817	(479)		-	-	
Income tax charge	472,010	158,430		35,385	24,024	

Nigeria corporation tax is calculated at 30% (2023: 30%) of the estimated assessable profit for the year.

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

* Refer to note 33 for restatement of comparative figures.

	Restated			
	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Profit before taxation	1,308,919	379,935	321,282	316,676
Tax at the Nigeria corporation tax rate of 30% (2023: 30%)	392,676	113,981	96,385	95,003
Education tax	53,115	12,317	10,111	8,811
Effect of expenses that are not deductible in determining taxable profit	136,319	150,378	42,010	23,021
Effect of income that is exempt from taxation	(146,240)	(137,224)	(138,395)	(118,025)
Minimum tax adjustments (including PTF)	25,323	19,458	25,274	15,213
Tax for the year	461,193	158,910	35,385	24,024

Per statement of financial position	Restated			
	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
At 1 January	167,485	144,048	31,138	37,330
Charge for the year	461,193	158,909	35,385	24,022
Payments during the year	(137,789)	(110,069)	(8,741)	(4,811)
Withholding tax utilized	-	(25,403)	-	(25,403)
At 31 December	490,889	167,485	57,782	31,138

10. (i) Current tax assets	Restated			
	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Unutilised withholding tax credit notes as at January 1	147,200	127,762	147,200	127,762
Additional during the year	-	44,841	-	44,841
Utilization during the year	-	(25,403)	-	(25,403)
Unutilised withholding tax credit notes as at December 31	147,200	147,200	147,200	147,200

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

11. Dividends

No dividend was declared or paid for the year ended 31 December 2024 (2023:Nil)

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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	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Profit attributable to ordinary equity shareholders (NGN'000)	836,909	221,505	285,897	292,652
Profit for the year	836,909	221,505	285,897	292,652
Basic earnings per share (Kobo)	5	1	2	2
From continuing operations	5	1	2	2
Diluted earnings per share (Kobo)	5	1	2	2
From continuing operations	5	1	2	2

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	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
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
At 1 January 2023	1,103,600	7,024,885	44,679	201,153	97,331	88,538	8,560,186
Addition	-	-	36,316	-	4,952	18,735	60,003
At 31 December 2023	1,103,600	7,024,885	80,995	201,153	102,283	107,273	8,620,189
At 1 January 2024	1,103,600	7,024,885	80,995	201,153	102,283	107,273	8,620,189
Addition	-	341	51,500	136,910	16,179	22,183	227,114
At 31 December 2024	1,103,600	7,025,226	132,495	338,063	118,462	129,456	8,847,303
Accumulated depreciation and impairment							
At 1 January 2023	-	16,489	23,606	18,595	47,741	63,596	170,027
Charge for the year	-	50,894	6,780	40,000	8,169	9,822	115,665
At 31 December 2023	-	67,383	30,386	58,595	55,910	73,418	285,692
At 1 January 2024	-	67,383	30,386	58,595	55,910	73,418	285,692
Charge for the year	-	221,292	30,190	4,358	38,367	14,670	308,877
At 31 December 2024	-	288,675	60,576	62,953	94,277	88,088	594,569
Net book values							
At 31 December 2024	1,103,600	6,736,551	71,919	275,110	24,185	41,369	8,252,734
At 31 December 2023	1,103,600	6,957,502	50,609	142,558	46,373	33,855	8,334,497

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 31 December 2024 (2023: Nil). No property, plant and equipment retired from active use, and none was classified as held for sale in accordance with IFRS 5.

UPDC Plc
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For the year ended 31 December 2024

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 2023	33,170	12,736	49,639	71,885	167,430
Additions	36,316	-	4,514	12,920	53,750
At 31 December 2023	69,486	12,736	54,153	84,805	221,180
At 1 January 2024	69,486	12,736	54,153	84,805	221,180
Additions	-	-	10,390	9,969	20,359
At 31 December 2024	69,486	12,736	64,543	94,774	241,539
Accumulated depreciation and impairment					
At 1 January 2023	19,259	12,736	46,347	60,344	138,686
Charge for the year	6,244	-	1,192	5,179	12,615
At 31 December 2023	25,503	12,736	47,539	65,523	151,301
At 1 January 2024	25,503	12,736	47,539	65,523	151,300
Charge for the year	19,297	-	2,288	7,535	29,120
At 31 December 2024	44,800	12,736	49,827	73,058	180,420
Net book values					
At 31 December 2024	24,686	-	14,716	21,716	61,119
At 31 December 2023	43,983	-	6,614	19,282	69,879

There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities as at 31 December 2024 (2023: 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
Cost	Software N'000	Software N'000
At 1 January 2023	385,686	305,770
Additions	11,546	-
At 31 December 2023	397,231	305,770
At 1 January 2024	397,231	305,770
Additions	10,736	-
At 31 December 2024	407,967	305,770
Amortisation		
At 1 January 2023	340,245	294,801
Amortisation for the year	4,787	3,084
At 31 December 2023	345,032	297,885
At 1 January 2024	345,032	297,885
Amortisation for the year	6,633	2,414
At 31 December 2024	351,666	300,299
Net book values		
At 31 December 2024	56,303	5,471
At 31 December 2023	52,199	7,886

No intangible asset was pledged as security for any liability as at 31 December 2024 (2023: Nil)

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15. Investments in equity accounted joint ventures

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

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Joint ventures	120,141	120,141	119,337	119,337
	120,141	120,141	119,337	119,337

15 (i). Investments in joint ventures

	The Group		The Company		31 Dec 24	31 Dec 23
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23		
	N'000	N'000	N'000	N'000	% holding	% holding
Investment in Joint Ventures	120,141	120,141	119,337	119,337	51.0%	51.0%
First Restoration Dev. Co. Limited	120,141	120,141	119,337	119,337		

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

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

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
At 1 January	120,141	125,647	119,337	124,843
Share of loss from joint venture	-	(5,506)	-	(5,506)
	120,141	120,141	119,337	119,337

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

Name	Non Current Asset	Current Asset	Non-Current Liabilities	Current Liabilities	Cash & Cash Equivalent	Net Asset	Carrying value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
31 December 2024							
First Festival Mall Ltd.	-	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	-	301,265	-	57,988	25,964	269,241	120,141
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-	-
Transit Village*	-	-	-	-	-	-	-

Name	Revenue	Depreciation	Interest Income	Interest Expense	Tax Expense	Profit/ (Loss)
	N'000	N'000	N'000	N'000	N'000	N'000
31 December 2024						
First Festival Mall Ltd.	-	-	-	-	-	-
First Restoration Dev. Coy Ltd.	-	-	-	-	-	-
Pinnacle Apartment Dev. Ltd.	-	-	-	-	-	-
Calabar Golf Estate Ltd.	-	-	-	-	-	-
UPDC Metro City Ltd.	-	-	-	-	-	-
Transit Village	-	-	-	-	-	-

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

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

16. Equity instrument at fair value through other comprehensive income

As at 31 December 2024, 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 N6.40 to N5.00 per unit in current year.

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
As at 1 January	853,846	400,240	853,846	400,240
Fair value changes	(186,779)	453,606	(186,779)	453,606
As at 31 December 2024	667,067	853,846	667,067	853,846

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Opening balance of Investment	853,846	400,240	853,846	400,240
Fair valuation at reporting date	(667,067)	(853,846)	(667,067)	(853,846)
Fair value loss/(gain)	186,779	(453,606)	186,779	(453,606)

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17. Investments in subsidiaries

Principal investments	The Company		% Shareholding	
	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 %	31 Dec 23 %
<i>UPDC Hotels Ltd.</i>				
2,082,500,000 Shares of ₦1.00 each	2,082,500	2,082,500	94.0%	94%
<i>Manor Gardens Dev. Company Ltd.</i>				
53,810,000 Ordinary Shares of ₦1.00 each	53,810	53,810	67.5%	67.5%
<i>UPDC Facility Management Ltd.</i>				
5,000,000 Ordinary Shares of ₦1.00 each	5,000	5,000	50%	50%
<i>Deep Horizon Investment Ltd.</i>				
1,000,000 Ordinary Shares of ₦1.00 each	1,611,697	1,611,697	100%	100%
<i>Grupo Atlanta (Nig) Ltd</i>				
490,000 Ordinary Shares of ₦1.00 each	490	-	49%	-
	3,753,497	3,753,007		
Impairment of investments	(2,136,310)	(2,136,310)		
	1,617,187	1,616,697		

Investments in subsidiaries are measured at cost.

In 2024, UPDC Plc and Paragon Holding Investment acquired the total equity of Grupo Atlanta, UPDC was allotted 49% while Paragon was allotted 51% with a condition that Paragon will relinquish 2% of her holding to UPDC upon the obtainance of Federal Competition & Consumer Protection Commission (FCCPC) approval, the FCCPC approval was obtained in January 2025 and UPDC got the total of 51% holding. UPDC's has the higher representative of the Board and chair the board of Grupo Atlanta right from the onset of the acquisition and as well as controlling its' financial and operational decision making.

17. (i) Material partly owned subsidiary

Financial information of subsidiary that have material non-controlling interest is provided below;

Proportion of equity interests held by non-controlling interests:

	The Company		% Shareholding	
	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 %	31 Dec 23 %
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	510	51	51

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

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

Summarised statement of financial positions	UPDC Facility Management		UPDC Hotel Limited		Deep Horizon Investment		Grupo Atlanta Nig Ltd	
	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000
Current assets	1,085,025	815,636	949,415	455,819	3,408,904	3,559,784	13,501,241	-
Non-current assets	85,978	19,039	8,156,509	8,289,426	-	-	-	-
Current liabilities	(730,715)	(520,872)	(17,039,712)	(16,411,432)	(1,602,408)	(1,693,617)	(12,822,862)	-
Non-current liabilities	-	-	(250,000)	(250,000)	-	-	-	-
Total Equity	440,288	313,803	(8,183,787)	(7,916,187)	1,806,496	1,866,167	678,379	-
Attributable to:								
Equity holders of parent	220,144	156,902	(7,692,760)	(7,441,216)	(1,806,499)	1,866,167	332,406	-
Non-controlling interest	220,144	156,902	(491,027)	(474,971)	-	-	345,973	-
	440,288	313,804	(8,183,787)	(7,916,187)	(1,806,499)	1,866,167	678,379	-
Statement of profit or loss and other comprehensive income								
	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000
Revenue from contract with customer	924,345	367,030	1,464,014	848,390	-	1,731,092	5,200,000	-
Cost of Sales	(917,244)	(345,463)	(1,679,203)	(1,136,388)	(62,080)	(1,517,714)	(4,226,768)	-
Net Finance cost	-	-	(50,370)	(31,456)	-	-	44,432	-
Other income	228,415	130,259	9,315	-	2,408	16,744	-	-
Profit before tax	235,516	151,937	(256,243)	(280,794)	(59,672)	230,122	1,017,664	-
Income tax expense	(89,386)	(53,717)	(11,357)	(4,242)	-	(76,449)	(335,880)	-
Profit for the year	146,130	98,220	(267,600)	(285,036)	(59,672)	153,673	681,784	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive income	146,130	98,220	(267,600)	(285,036)	(59,672)	153,673	681,784	-
Attributable to:								
Equity holders of parent	73,065	49,110	(251,544)	(267,934)	(59,672)	153,673	334,074	-
Non-controlling interest	73,065	49,110	(16,056)	(17,102)	-	-	347,710	-
	146,130	98,220	(267,600)	(285,036)	(59,672)	153,673	681,784	-

UPDC Plc
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18. Inventories

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Non trade stock	351,124	51,567	-	-
Properties under construction - Note 18 (i)	8,378,876	3,148,591	1,079,068	3,148,590
Balance	8,729,999	3,200,158	1,079,068	3,148,590

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	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Balance 1 January	3,148,591	5,145,163	3,148,590	3,927,220
Additions*	8,231,144	1,059,639	931,337	731,819
Disposal	(3,000,859)	(2,735,461)	(3,000,859)	(1,510,449)
Deferred Commissioning cost	-	(320,749)	-	-
	8,378,876	3,148,591	1,079,068	3,148,590

*Included in the additions during the year is the landed property worth of N7.2billion at Brompton city which is under construction for sale in the ordinary course of

19. Trade and other receivables

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Trade receivables	1,334,555	1,233,153	922,362	1,069,820
Less: Impairment of trade receivables (Note 3.1b)	(949,547)	(790,744)	(878,947)	(878,947)
Net trade receivables	385,008	442,409	43,415	190,873
Receivables from group companies (Note 26)	481,626	985,032	2,278,911	1,476,380
Other receivables (Note 19 (i))	641,806	609,629	274,084	351,132
Advances to staff	1,524	910	1,525	910
	1,509,965	2,037,980	2,597,935	2,019,295

19. (i) Analysis of other receivables

Mobilization payments to contractors	26,767	40,739	26,767	26,767
Prepayments and accrued income	70,190	68,003	16,383	25,067
Withholding tax receivables	19,435	18,613	15,170	17,812
VAT Receivables	-	-	-	-
Other Debtors*	525,414	482,275	215,764	281,486
	641,806	609,629	274,084	351,132

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.

UPDC Plc
Notes to the Consolidated and Separate Financial Statements - Continued
For the year ended 31 December 2024

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
20. Cash and cash equivalents				
Cash at bank and in hand	2,568,931	1,502,606	547,050	682,224
Short term investments	8,935,970	3,415,552	3,691,538	3,415,552
Less: Impairment of Short term investments	(203)	(149)	(203)	(149)
Cash and cash equivalents	11,504,698	4,918,009	4,238,385	4,097,627

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.

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
21. Borrowings				
Current borrowings				
UAC of Nigeria Plc. Loan	50,075	32,292	50,075	32,292
Custodian Investment Plc Loan	66,513	38,433	66,513	38,433
	116,587	70,725	116,587	70,725
Non-current borrowings - Principal				
UACN Plc Loan	1,380,125	2,146,881	1,380,125	2,146,881
Custodian Investment Plc Loan	1,642,639	2,555,215	1,642,639	2,555,215
	3,022,763	4,702,096	3,022,763	4,702,096
Total borrowings	3,139,350	4,772,821	3,139,350	4,772,821

Movement in total borrowing during the year is as follows:

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Balance as at 1 January	4,772,820	4,772,820	4,772,820	4,772,820
Repayment of Principal	(1,679,333)	-	(1,679,333)	-
Interest accrued	397,834	423,189	397,834	423,189
Interest paid	(351,972)	(423,189)	(351,972)	(423,189)
Balance as at 31 December	3,139,349	4,772,820	3,139,349	4,772,820

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 Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
22. Trade and other payables				
Trade payables	2,738,404	939,093	378,284	551,955
Customers deposit liabilities (Note 23)	2,478,520	2,373,761	2,434,177	2,043,812
Amounts owed to other related parties (Note 26)	273,940	278,024	2,118,535	2,245,687
	5,490,864	3,590,878	4,930,995	4,841,454
Value Added Tax/ Withholding Tax Payables	176,328	174,535	41,927	25,168
Other payables*	10,143,499	444,530	179,737	258,066
Assets Replacement Deposits	115,795	379,208	94,795	161,208
Unclaimed dividend (Note 23 (i))	230,740	252,411	230,740	252,411
Accruals**	1,631,734	974,202	400,096	379,862
Total	17,788,961	5,815,764	5,878,291	5,918,169

*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 1,2 & 3 of Brompton City of 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.

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	N'000
	N'000	N'000	N'000	N'000
23. Customer deposit liabilities				
Deposit by customers	2,478,520	2,373,761	2,434,177	2,043,812
	2,478,520	2,373,761	2,434,177	2,043,812

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

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	N'000
	N'000	N'000	N'000	N'000
23. (i) Unclaimed dividend				
As at 1 January	252,411	253,680	252,411	253,680
Unclaimed dividend fund paid	(21,672)	(1,269)	(21,672)	(1,269)
	230,740	252,411	230,740	252,411

UPDC Plc
Notes to the Consolidated and Separate Financial Statements - Continued
For the year ended 31 December 2024

24. Deferred taxation

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

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
Deferred tax liabilities:				
- Deferred tax liability to be recovered after more than 12 months	83,354	72,537	72,537	72,537
- Deferred tax liability to be recovered within 12 months	-	-	-	-
Deferred tax liabilities	83,354	72,537	72,537	72,537

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

	The Group		The Company	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	N'000	N'000	N'000	N'000
At 1 January	72,537	73,016	72,537	72,537
Recognised in Profit or Loss	10,817	(479)	-	-
At 31 December	83,354	72,537	72,537	72,537

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

The Group

	Property, plant and equipment	Investment property	Provisions	Tax losses	Capital gains to be reinvested	Exchange difference	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	(68,961)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	73,016
Charged/(credited) to profit or loss	(479)	-	-	-	-	-	(479)
At 31 December 2023	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged/(credited) to profit or loss	-	-	-	-	-	-	-
At 31 December 2024	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537

The Company

	Property, plant and equipment	Investment property	Provisions	Tax losses	Capital gains to be reinvested	Exchange difference	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2023	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged/(credited) to profit or loss	-	-	-	-	-	-	-
At 31 December 2023	(69,440)	1,273,022	(96,895)	(1,151,609)	116,291	1,168	72,537
Charged/(credited) to profit or loss	-	-	-	-	-	-	-
At 31 December 2024	(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 N5.3 billion (2023: 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 N17.3 billion unrelieved tax losses (2023: N17.3 billion) available for offset against future profits.

UPDC Plc
Notes to the Consolidated and Separate Financial Statements - Continued
For the year ended 31 December 2024

25. Share capital

Group and Company

	31 Dec 24		31 Dec 2023	
	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.

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:

(a) Sales of goods and services

	Relationship	Nature of transaction	The Group		The Company	
			31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000
UAC of Nigeria Plc	Associate	Asset/ Property and Development	-	17,898	-	17,898
UPDC REIT	Equity investment	Management services	-	35,142	-	35,142

(b) Purchases of goods and services

	Relationship	Nature of transaction	The Group		The Company	
			31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000
UAC of Nigeria Plc.	Associate	Rent of office space from UAC and	-	8,810	-	8,810

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

	The Group		The Company	
	31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000
Receivable:				
Receivables balance	3,732,934	4,231,594	19,617,407	18,773,418
Provision for expected credit losses	(3,251,307)	(3,246,560)	(17,338,496)	(17,297,037)
Balance as at 31 December	481,626	985,034	2,278,911	1,476,381

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

	Relationship	The Group		The Company	
		31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000
Receivable:					
UPDC Metrocity Limited	Joint Venture	408,436	392,039	408,436	392,039
UPDC Hotel Ltd.	Subsidiary	-	-	14,543,255	14,498,405
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	537,462	704,221	402,407	386,977
Galaxy Mall Current Account	Joint Venture	74,034	74,034	74,034	74,034
UPDC REIT	Associate	98,489	17,606	98,489	17,606
Manor Gardens	Subsidiary	-	-	317,244	317,244
Grupo Atlanta Nig Ltd	Subsidiary	-	429,181	1,086,803	429,181
UPDC Facility Management Ltd.	Subsidiary	-	-	72,226	43,420
		3,732,934	4,231,594	19,617,407	18,773,418
Impairment of Intercompany receivables		(3,251,307)	(3,246,560)	(17,338,496)	(17,297,037)
		481,626	985,032	2,278,911	1,476,381

	Relationship	The Group		The Company	
		31 Dec 24 N'000	31 Dec 23 N'000	31 Dec 24 N'000	31 Dec 23 N'000
Payable:					
UAC of Nigeria Plc.	Associate	7,002	2,426	7,002	2,426
MDS Logistics Ltd.	Sister Company	1,787	-	1,787	-
First Restoration Dev. Co. Limited	Joint Venture	265,151	275,599	265,151	275,599
Deep Horizon Investment Ltd.	Subsidiary	-	-	1,844,595	1,967,663
		273,940	278,024	2,118,535	2,245,687

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 31 December 2024, the Group in its ordinary course of business is presently involved in 22 cases as a defendant and 12 cases as a plaintiff. The total amount claimed in the 22 cases against the Company is estimated at N2.48billion, while the total amount claimed in 2 of the cases instituted by the Group is N14.2 million. The Directors are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Group and are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

28. Events after reporting period

In 2024, UPDC Plc and Paragon Holding Investment acquired the total equity of Grupo Atlanta, UPDC was allotted 49% while Paragon was allotted 51% with a condition that Paragon will relinquish 2% of her holding to UPDC upon the obtainance of Federal Competition & Consumer Protection Commission (FCCPC) approval, the FCCPC approval was obtained in January 2025 and UPDC got the total of 51% holding. Other than this, there were no events after the reporting date which could have a material effect on the financial position of the Company as at 31 December 2024 or the financial performance for the year then ended that have 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 entities, below is a list of professionals engaged in the financial reporting process relating to financial statements during the period.

NAME OF PROFESSIONAL	FRC_NUMBER	SERVICES	FEES N'000
Goldwyns - Anthony Molade	FRC/2013/ICAN/00000003138	Tax Consultant	3,765
Goldwyns - Anthony Molade	FRC/2013/ICAN/00000003138	ICFR	5,375
Diya Fatimilehin & Co	FRC/2023/COY/098756	Property Valuation Specialist	3,870
Society for Corporate Governance Nigeria	FRC/2014/NIM/00000007899	Board Evaluation Consultant	3,000

30. Provision of Non-audit services

Auditor's fees represents fees for the interim and full year audit of the company for the year ended 31 December 2024. Deloitte & Touche rendered an assurance service to the company in relation to the Internal Control over Financial Reporting amounting to N8million.

31. Dividend proposed

The Board of Directors has approved a dividend of ₦0.01 (1 kobo) per ordinary share for the financial year ended 31 December 2024 (2023: Nil). This amounts to a total dividend payout of ₦185,599,699.36, based on the total outstanding ordinary shares of 18,559,969,936. The dividend will be presented for approval by shareholders at the Company's Annual General Meeting and, if approved, will be paid to shareholders whose names appear in the Register of Members as at the specified record date.

32. Contravention

The Group incurred and paid the sum of ₦6.6million (2023: Nil) as a penalty for a contravention during the year.

	2024 N'000	2023 N'000
Penalties for late submission of the annual financial statements to SEC and NGX Regulation Limited	6,625	-

33. Changes to presentation of comparatives figures

In the disclosure notes on financial risk management, the interest-bearing loans and borrowings were not carried at the undiscounted values but rather at the amortised cost for both the principal and interest payable i.e. as same balances reported in the statement of financial position. As required by IFRS 7 - Financial Instruments: Disclosures, paragraph 39(a), the maturity analysis for non-derivative financial liabilities should have been disclosed at the undiscounted value which is the principal outstanding plus the future interest to be paid. These are now been restated accordingly in note 3.1.

Also, in note 10(i), tax expenses presented for the Group and the Company combined Education tax, Minimum Tax and Nigerian Police Trust Fund Levy as one and was presented as a line item - tax expenses rather than been separated and presented separately as a component of the tax expenses in the note. This has been separately presented and restated accordingly to comply with the requirements of IAS12 Income taxes Paragraphs 77 and 79.

The following summarise the adjustments arising from change in the correction of prior period (i.e. 31 December 2023) errors in the disclosure of the Group and Company's financial liabilities into relevant maturity groupings in note 3.1 and in note 10 on the presentation of tax expenses for the group and the company.

i Group and Company's financial liabilities into relevant maturity groupings

	Less than 3months	Between 3 Months and 1 year	Between 1 and 2 years	Over 2 years	Contractual amount (N'000)	Carrying amount (N'000)
Interest bearing loans and borrowings - As previously stated	-	70,725	-	4,702,096	4,772,821	4,772,821
Effect of future interest to be paid	-	297,276	211,478	42,203	550,957	-
Interest bearing loans and borrowings - As restated	-	368,001	211,478	4,744,299	5,323,778	4,772,821

ii Taxation

	2023 previously stated N'000	Impact of adjustment N'000	2023 restated N'000	2023 previously stated N'000	Impact of adjustment N'000	2023 restated N'000
Current tax						
Minimum tax charge for the year	19,439	-	19,439	15,197	-	15,197
Current income tax *	139,470	(12,336)	127,134	-	-	-
Education tax *	-	12,317	12,317	8,827	(16)	8,811
Police Trust Fund *	-	19	19	-	16	16
Total current tax charge	158,909	-	158,909	24,024	-	24,024

Other National disclosures

UPDC Plc
STATEMENT OF VALUE ADDED
For the year ended 31 December 2024

	The Group				The Company			
	2024		2023		2024		2023	
	N'000	%	N'000	%	N'000	%	N'000	%
Sale of properties, rents and services	11,786,913		5,343,622		4,401,353		2,397,109	
Bought in materials and services (All local)	(10,123,348)		(4,067,310)		(4,137,037)		(1,570,946)	
Value Added	1,663,565	100	1,276,312	100	264,316	100	826,163	100
Distribution:								
Employees	710,626	43	357,043	28	311,748	118	206,678	25
Company Taxes	461,193	28	158,909	12	35,385	13	24,023	3
Interest charges	(397,834)	(24)	423,189	33	(397,834)	(151)	423,189	51
Depreciation	52,671	3	115,665	9	29,120	11	12,615	2
Transfer to non-controlling interests	404,719	24	-32,008	(3)	-	-	-	-
Retained profit	432,190	26	253,513	20	285,897	108	159,658	19
Value Added	1,663,565	100	1,276,312	100	264,316	100	826,163	100

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

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

	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
Liabilities					
Non-current liabilities	3,106,117	4,774,633	4,775,112	5,591,010	4,345,562
Current liabilities	18,396,437	6,053,974	6,462,693	4,927,716	7,281,122
				1,187,897	946,620
Total liabilities	21,502,554	10,828,607	11,237,805	11,706,623	12,573,304
Ordinary share capital	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	8,971,551	8,971,551	8,971,551	8,971,551	8,971,551
Other reserves	-	-	-	391,420	-
Revenue reserve and fair value reserve of financial assets at FVOCI	(9,048,825)	(9,294,236)	(10,001,355)	(10,654,356)	(8,483,675)
Shareholders' funds	9,202,711	8,957,300	8,250,181	7,988,600	9,767,861
Non-controlling interest	282,842	(121,877)	(59,583)	(100,457)	(48,493)
Total equity	9,485,553	8,835,423	8,190,598	7,888,143	9,719,368
Net equity and liabilities	30,988,107	19,664,030	19,428,403	19,594,766	22,292,672
PPE & Investment properties	8,309,036	8,386,696	8,435,602	66,317	1,824,646
Long term Investments	787,208	973,987	525,887	722,616	864,167
Assets of disposal group classified as held for sale	-	-	-	8,086,682	8,140,686
Current assets	21,891,863	10,303,347	10,466,914	10,719,151	11,463,174
Total assets	30,988,107	19,664,030	19,428,403	19,594,766	22,292,672
Comprehensive income					
Revenue	11,786,913	5,343,622	5,896,957	825,404	1,662,487
Profit/ (loss) before taxation	1,308,919	379,935	330,598	(1,617,268)	(262,693)
Taxation	(472,010)	(158,430)	(130,066)	(142,969)	(115,023)
Profit/ (loss) after taxation	836,909	221,505	200,532	(1,760,237)	(377,716)
Non-controlling Interest	404,719	(32,008)	40,874	51,055	11,776
Total comprehensive profit/(loss) attributable to the equity holders of the parent	245,411	707,119	159,658	(2,067,662)	(450,926)
Retained earnings	245,411	707,119	159,658	(2,067,662)	(450,926)
Basic earnings/ (loss) per share (kobo)	5	1	(1)	(9)	(2)
Net assets per share (Naira)	0.5	0.5	0.4	0.4	0.5

Note :

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

UPDC Plc
Company Five - Year Financial Summary
Statement of financial position as at 31 December

	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
Liabilities					
Non-current liabilities	3,095,300	4,774,633	4,774,633	5,584,190	4,345,562
Current liabilities	6,052,660	6,020,034	5,435,651	4,450,208	6,682,801
Total liabilities	9,147,960	10,794,667	10,210,284	10,034,398	11,028,363
Ordinary share capital	9,279,985	9,279,985	9,279,985	9,279,985	9,279,985
Share premium	8,971,551	8,971,551	8,971,551	8,971,551	8,971,551
Other reserves	-	-	-	391,420	-
Retained earnings and fair value reserve of financial assets at FVOCI	(16,866,727)	(16,965,846)	(17,712,104)	(17,815,360)	(8,992,879)
Total equity	1,384,809	1,285,690	539,432	827,596	9,258,657
Net equity and liabilities	10,532,768	12,080,357	10,749,716	10,861,994	20,287,020
PPE & Investment properties	66,589	77,765	39,714	45,717	1,797,657
Long term Investments	2,403,590	2,589,879	2,141,780	2,338,509	971,382
Current assets	8,062,588	9,412,712	8,568,222	8,477,768	17,517,981
Total assets	10,532,767	12,080,357	10,749,716	10,861,994	20,287,020
Comprehensive income					
Revenue	4,401,353	2,397,109	3,870,963	540,563	1,597,218
Profit/ (loss) before taxation	321,282	316,676	322,957	(8,503,661)	(946,192)
Taxation	(35,385)	(24,024)	(26,251)	(75,717)	(113,120)
Profit/ (loss) after taxation	285,897	292,652	296,706	(8,579,378)	(1,059,312)
Other comprehensive income for the period net of taxation	-	-	-	-	166,767
Total comprehensive income/(loss)	285,897	292,652	296,706	(8,579,378)	(892,545)
Basic earnings/ (loss) per share (kobo)	2	2	2	(46)	(8)
Net assets per share (Naira)	0.07	0.07	0.03	0.1	0.5

Note :

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

UPDC Plc**Shareholding Structure/Free Float Status**

UPDC Free Float Computation				
Company Name:	UPDC PLC			
Board Listed:	MAIN BOARD			
Year End:	December			
Reporting Period:	2024			
Share Price at end of reporting period:	₦1.59			
Shareholding Structure/Free Float Status				
Description	2024			
	Units	Percentage		
Issued Share Capital	18,559,969,936	100%		
Substantial Shareholdings (5% and above)				
Custodian Investment Plc	9,466,708,960	51.01%		
UAC of Nigeria Plc	7,908,186,837	42.61%		
Total Substantial Shareholdings	17,439,534,560	93.61%		
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr Wole Oshin	-	9466708960		
Mr Odunayo Ojo	-	-		
Ms Bidemi Fadayomi	-	-		
Mr Folasope Aiyesimoju	-	7953143897		
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	213,642,424	1.51%		
Free Float in Value	₦339,691,454.16			

Declaration:

UPDC Plc, with a free float percentage of 4.89% as at 31 December 2024, 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.