

Unaudited Financial Statements for the period ended 30 September 2022

UPDC PLC RC.321582

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

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UPDC Plc
Financial Highlights
For the period ended 30 September 2022

	The Group		% Change
	30 Sep. 22	30 Sep. 21	
	N'000	N'000	
Revenue	2,089,986	614,739	240
Cost of Sales	(1,319,276)	(529,365)	(149)
Gross Profit/(loss)	770,710	85,374	803
Operating Expenses	(880,152)	(601,816)	(46)
Other Operating Income	195,747	93,406	110
Operating profit/(loss)	86,305	(512,043)	117
Net finance cost	(327,931)	(532,216)	38
Loss before taxation	(241,626)	(1,044,259)	77
Taxation	(48,998)	(94,047)	48
Loss from discontinued operations	-	(43,365)	100
Loss for the period	(290,624)	(1,181,671)	75
Total comprehensive loss for the period	(470,732)	(1,168,329)	60
Total Equity	8,262,274	8,018,068	3
Total equity and liabilities	19,223,765	19,596,232	(2)
Cash and Cash equivalents	3,023,587	1,878,320	61

UPDC Plc
**Consolidated Statement of Profit or Loss and Other
Comprehensive Income for the period ended 30 September 2022**

		The Group			
		3 months ended 30 Sep. 22 N'000	9 months ended 30 Sep. 22 N'000	3 months ended 30 Sep. 21 N'000	9 months ended 30 Sep. 21 N'000
	Notes				
Revenue	3	952,484	2,089,986	298,683	614,739
Cost of sales	5	(616,058)	(1,319,276)	(268,837)	(529,365)
Gross profit		336,426	770,710	29,846	85,374
Profit on disposal on investment properties	12	-	-	5,621	253,714
Selling and distribution expenses	5	(7,919)	(44,204)	(6,836)	(36,513)
Administrative expenses	5	(526,182)	(835,948)	(141,457)	(565,303)
Other operating income	4	54,849	195,747	32,200	93,406
Credit Loss Expenses	6	-	-	(342,721)	(342,721)
Operating profit/(loss)		(142,826)	86,305	(423,347)	(512,043)
Finance income	6	39,947	65,560	23,176	41,030
Finance cost	6	(132,605)	(393,491)	(132,605)	(573,246)
Net finance cost		(92,658)	(327,931)	(109,429)	(532,216)
Loss before taxation		(235,484)	(241,626)	(532,776)	(1,044,259)
Taxation	7	(11,148)	(48,998)	(31,552)	(94,047)
Loss from continuing operations		(246,632)	(290,624)	(564,328)	(1,138,306)
Discontinued operations					
Loss from discontinued operations	24	-	-	(14,049)	(43,365)
Loss for the period		(246,632)	(290,624)	(578,377)	(1,181,671)
Other comprehensive income:					
<i>Items not to be subsequently recycled to profit or loss:</i>					
Net changes in fair value of financial assets	13	(46,695)	(180,108)	(6,671)	13,341
Tax on other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(293,327)	(470,732)	(585,048)	(1,168,329)
Profit/ (loss) attributable to:					
Equity holders of the parent		(292,026)	(323,514)	(580,951)	(1,228,956)
Non controlling interest		(1,301)	32,890	2,574	47,285
Total loss		(293,327)	(290,624)	(578,377)	(1,181,671)
Total comprehensive profit/(loss) attributable to:					
Equity holders of the parent		(292,026)	(503,622)	(587,622)	(1,215,614)
Non controlling interests		(1,301)	32,890	2,574	47,285
Total comprehensive loss		(293,327)	(470,732)	(585,048)	(1,168,329)
Earnings per share for profit/(loss) attributable to the equity holders of the group:					
Basic Profit/(Loss) Per Share (Kobo)					
From continuing operations	8	(2)	(2)	(3)	(6)
From discontinued operations	8	-	-	-	-
From loss for the period		(2)	(2)	(3)	(6)
Diluted Profit/(Loss) Per Share (Kobo)					
From continuing operations	8	(2)	(2)	(3)	(6)
From discontinued operations	8	-	-	-	-
From loss for the period		(2)	(2)	(3)	(6)

The notes on pages 5 to 16 are an integral part of these consolidated financial statements.

UPDC Plc
Consolidated Statement of Financial Position
As at 30 September 2022

	Notes	The Group	
		30 Sep. 2022	31 Dec. 2021
		N'000	N'000
Assets			
Non-current assets			
Property, plant and equipment	9	8,270,711	49,928
Intangible assets	10	14,298	16,389
Investment properties	11	-	-
Investments in joint ventures	12	130,393	130,393
Equity instrument at fair value	13	413,582	593,690
Investments in subsidiaries	14	-	-
		8,828,984	790,400
Current assets			
Inventories	15	5,045,333	6,084,508
Trade and other receivables	16	2,198,099	2,659,414
Current tax assets	7 (i)	127,762	96,908
Cash at bank and in hand	17	3,023,587	1,878,320
		10,394,781	10,719,150
Assets of disposal group classified as held for sale/distribution to owners	23	-	8,086,682
Total assets		19,223,765	19,596,232
Equity			
Share capital		9,279,985	9,279,985
Share premium		8,971,551	8,971,551
Fair value reserve of financial assets at FVOCI		(153,425)	26,683
Other reserves		391,420	391,420
Revenue reserve		(10,262,709)	(10,654,133)
Equity attributable to equity holders of the Company		8,226,822	8,015,506
Non controlling interest		35,452	2,562
Total equity		8,262,274	8,018,068
Liabilities			
Non-current liabilities			
Interest bearing Loans and Borrowings	18	5,511,653	5,511,653
Deferred taxation liabilities		72,537	72,537
Deferred revenue	20	-	-
		5,584,190	5,584,190
Current liabilities			
Trade and other payables	19	5,215,232	4,561,683
Current income tax liabilities		63,459	145,784
Deferred revenue	20	98,610	98,610
		5,377,301	4,806,077
Liabilities of disposal group classified as held for sale/distribution to owners	23	-	1,187,897
Total liabilities		10,961,491	11,578,164
Total equity and liabilities		19,223,765	19,596,232

The unaudited financial statements were approved by the board of directors on 18 October 2022 and signed on its behalf by:



Wole Oshin
Chairman
FRC/2013/CIIN/00000003054



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



Olugbenga Fagbami
Financial Controller
FRC/2018/ICAN/00000018050

The notes on pages 6 to 16 are an integral part of these consolidated financial statements.

UPDC Plc
Consolidated Statement of Changes in Equity
For the period ended 30 September 2022

The Group
Attributable to owners of the Company

	Share Capital N'000	Share Premium N'000	Revenue Reserve N'000	Other Reserves N'000	Fair value reserve of financial assets at FVOCI N'000	Total N'000	Non Controlling interest N'000	Total N'000
Balance at 1 January 2021	9,279,985	8,971,551	(8,728,022)	-	166,767	9,690,281	(48,493)	9,641,788
Loss for the period	-	-	(1,228,956)	-	-	(1,228,956)	47,285	(1,181,671)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	13,341	13,341	-	13,341
Balance at 30 September 2021	9,279,985	8,971,551	(9,956,978)	-	180,108	8,474,666	(1,208)	8,473,458
Balance at 1 January 2022	9,279,985	8,971,551	(10,654,133)	391,420	26,683	8,015,506	2,562	8,018,068
Loss for the period	-	-	(323,514)	-	-	(323,514)	32,890	(290,624)
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	(180,108)	(180,108)	-	(180,108)
Gain on reclassification of asset of disposal group held for sale	-	-	712,998	-	-	712,998	-	712,998
Statute barred dividend refund	-	-	1,940	-	-	1,940	-	1,940
Balance at 30 September 2022	9,279,985	8,971,551	(10,262,709)	391,420	(153,425)	8,226,822	35,452	8,260,334

The summary of significant accounting policies and notes on pages 5 to 16 are an integral part of these financial statements.

UPDC Plc
Consolidated Statement of Cash Flows
For the period ended 30 September 2022

	The Group	
	2022	2021
	September	September
	N'000	N'000
Cash flow from operating activities (Note 21)	1,435,815	38,434
Company Income Tax paid	(63,869)	(13,586)
Capital Gains Tax Paid	(65,145)	(109,127)
VAT paid	(47,421)	(134,401)
Net Cash inflow from operating activities	1,259,380	(218,680)
Cash flow from investing activities		
Proceeds from sale of investment property	-	965,475
Purchase of property, plant & equipment	(9,097)	(31,853)
Purchase of intangible asset	-	(13,412)
Proceeds from sale of property, plant and equipment	-	10,972
Interest received	65,560	41,030
Net cash flow from investing activities	56,463	972,212
Cash flow from financing activities		
Proceeds from borrowings - Note 18 (ii)	-	4,558,101
Repayment of borrowings - Note 18 (ii)	-	(4,355,000)
Statute barred dividend refund	1,940	-
Interest paid	(172,701)	(353,331)
Net cash flow from financing activities	(170,761)	(150,229)
Net increase/(decrease) in cash and cash equivalents	1,145,080	603,302
Net foreign exchange difference	188	9,628
Cash and cash equivalents at the beginning of the period	1,878,320	2,947,335
Cash and cash equivalents at the end of the period (Note 17)	3,023,587	3,560,264

The notes on pages 6 to 16 are an integral part of these consolidated financial statements.

1.1 General information

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

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

1.2 Securities Trading Policy

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

1.3 Management's Assessment of Internal Controls

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

UPDC'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 2021, the Company's internal controls are effective. We will continue to work on further strengthening this position.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with IAS 34. The financial statements have been prepared on a historical cost basis except for Investment Properties, held for trading and available for sale financial instruments which are carried at fair value.

2.2 Accounting Policies

The accounting policies adopted are consistent with those for the year ended 31 December, 2021.

2.3 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

2.4 Financial Risk Management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

This interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 31 December 2021. There have been no changes in the risk management structure since year end or in any risk management policy.

3. Segment Analysis

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

Nigeria is the Company's primary geographical segment as the operations of the Company are entirely carried out in Nigeria. As at 30 September 2022, UPDC Plc's operations comprised two main business segments which are Property Development, Sales & Management and Hospitality Services. However, the latter has been classified as discontinued operation/ held for sale.

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 Hotel Ltd., 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

	Property Development Sales & Management	Hospitality Services	Classified as Discontinued Operation/ Held for Sale	Total
	N'000	N'000	N'000	N'000
30 September 2022				
Total Revenue	1,963,375	126,610	-	2,089,986
Intergroup revenue	-	-	-	-
Revenue to third parties	1,963,375	126,610	-	2,089,986
Earnings before interest and tax	315,823	(229,518)	-	86,305
Loss before tax	(12,109)	(229,517)	-	(241,626)
Net current assets	5,743,660	(726,179)	-	5,017,480
Property, plant and equipment	35,166	8,235,545	-	8,270,711

	Property Development Sales & Management	Hospitality Services	Classified as Discontinued Operation/ Held for Sale	Total
	N'000	N'000	N'000	N'000
30 September 2021				
Total Revenue	614,739	157,273	(157,273)	614,739
Intergroup revenue	-	-	-	-
Revenue to third parties	614,739	157,273	(157,273)	614,739
Earnings before interest and tax	(512,043)	(43,365)	43,365	(512,043)
Loss before tax	(1,044,259)	(43,365)	43,365	(1,044,259)
Net current assets	5,913,073	(1,020,592)	1,020,592	5,913,073
Property, plant and equipment	49,928	11,943,485	(11,943,485)	49,928

Entity wide information	30 Sep. 2022	30 Sep. 2021
Analysis of revenue by category:	N'000	N'000
Sale of Property Stock	423,850	358,522
Rental income	-	12,445
Project/ Asset Management Fee	236,601	38,103
UPDC Plc	660,451	409,070
UPDC Hotel Ltd. Revenue	126,610	-
Deep Horizon Inv. Ltd Sale of Property Stock	1,076,340	-
UPDC Facility Mgt Ltd. Management Surcharge Income	226,584	205,669
Group	2,089,986	614,739
	30 Sep. 2022	30 Sep. 2021
Analysis of revenue by geographical location:	N'000	N'000
Nigeria	2,089,986	614,739
	30 Sep. 2022	30 Sep. 2021
Revenue	N'000	N'000
Revenue from contract with customers	2,089,986	602,294
Rental income	-	12,445
	2,089,986	614,739

4. Other Operating Income

	The Group	
	30 Sep. 2022	30 Sep. 2021
	N'000	N'000
Investment income	33,104	-
Gain on disposal of PPE	-	9,711
Exchange gain	188	9,628
Recovery on facility management	56,463	48,967
Others	105,993	25,100
Total other income	195,747	93,406

5 (i) Expenses by nature

	The Group	
	30 Sep. 2022	30 Sep. 2021
	N'000	N'000
Change in inventories of finished goods & other direct costs of inventories	1,154,512	260,574
Property Maintenance expenses	30,264	85,637
Personnel expenses	358,524	338,623
Depreciation & Amortization	175,266	13,721
Rent	10,603	6,608
Vehicles repairs, maintenance & fueling	2,206	1,053
Other repairs & maintenance	19,046	-
Legal expenses	18,824	23,009
Auditors' remuneration	11,063	15,678
Directors' emoluments	15,936	1,340
Information Technology	45,111	26,810
Insurance	21,816	11,058
Marketing, advertising & communication	25,168	15,727
Professional fees	90,255	119,965
Printing and stationery	2,979	2,181
Energy Cost - UPDC Hotel Ltd.	42,387	-
Other expenses	175,467	209,199
	2,199,428	1,131,181

5 (ii) Expenses by function

Cost of sales	1,319,276	529,365
Selling and distribution expenses	44,204	36,513
Administrative expenses	835,948	565,303
	2,199,428	1,131,181

6. Net Finance Income/(Cost)

	The Group	
	30 Sep. 2022	30 Sep. 2021
	N'000	N'000
Finance Income	65,560	41,030
Interest on borrowings	(393,491)	(573,246)
Interest on bank overdraft	-	-
Finance Costs	(393,491)	(573,246)
Net Finance Cost	(327,931)	(532,216)

7. Taxation

	The Group	
	30 Sep. 2022	30 Sep. 2021
	N'000	N'000
Current tax		
CIT charge for the period	48,998	40,484
Capital Gain tax	-	53,563
Income tax charge	48,998	94,047

Nigeria corporation tax is calculated at 30% (2021: 30%) of the estimated assessable profit for the year.

7. (i) Current tax assets

	The Group	
	30 Sep. 2022	30 Sep. 2021
	N'000	N'000
Unutilised withholding tax credit notes	127,762	96,908
	127,762	96,908

8. 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	
	30 Sep. 2022	30 Sep. 2021
	N'000	N'000
Loss after tax for the year from discontinued operations	-	(43,365)
Loss attributable to ordinary equity shareholders (NGN'000)	(290,624)	(1,138,306)
Basic earnings per share (Kobo)	(2)	(6)
From discontinued operations	-	-
From continuing operations	(2)	(6)
Diluted earnings per share (Kobo)	(2)	(6)
From discontinued operations	-	-
From continuing operations	(2)	(6)

	The Group	
	30 Sep. 2022	30 Sep. 2021
	Number ('000)	Number ('000)
Basic weighted average and Diluted weighted average number of shares	18,559,970	18,559,970
Absolute number of shares	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.

9. Property, Plant and Equipment

The Group

	Land & Building	Motor vehicles	Plant and Machinery	Furniture & Fittings	Computer Equipment	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2021		92,220	29,773	47,116	63,357	232,466
Addition		24,725	-	95	9,914	34,734
Write-off/Scrapped		(469)	(5,621)	(368)	-	(6,458)
Disposals		(53,964)	(11,416)	-	(1,172)	(66,551)
At 31 December 2021	-	62,512	12,737	46,843	72,099	194,190
At 1 January 2022		62,512	12,737	46,843	72,099	194,191
Addition		-	-	3,404	5,693	9,097
Reclassification from Assets held for sale	8,118,332	6,623	77,663	32,861	5,521	8,241,000
Disposals		(24,456)	-	-	-	(24,456)
At 30 September 2022	8,118,332	44,679	90,400	83,108	83,313	8,419,832

Accumulated depreciation and impairment

At 1 January 2021		70,182	29,774	45,735	55,302	200,992
Charge for the period		11,007	-	685	3,608	15,300
Write-off/Scrapped		(469)	(5,621)	-	-	(6,090)
Disposals		(53,964)	(11,416)	-	(560)	(65,940)
At 31 December 2021	-	26,756	12,737	46,419	58,351	144,262
At 1 January 2022		26,756	12,737	46,419	58,351	144,262
Charge for the period	4,064	7,841	995	631	3,708	17,239
Disposals		(12,381)	-	-	-	(12,381)
At 30 September 2022	4,064	22,215	13,732	47,050	62,058	149,121
Net book values						
At 30 September 2022	8,114,268	22,463	76,668	36,058	21,255	8,270,711
At 31 December 2021	-	35,756	-	424	13,748	49,928

No Property, Plant and Equipment was pledged as security for any liability as at 30 September 2022 (2021: Nil)

10. Intangible Assets

Cost	The Group
	Software N'000
At 1 January 2021	295,597
Additions	13,412
At 31 December 2021	309,009
At 1 January 2022	309,009
Reclassification from Assets held for sale	43,638
At 30 September 2022	352,647
Amortisation	
At 1 January 2021	288,999
Amortisation for the period	3,622
At 31 December 2021	292,620
At 1 January 2022	292,620
Reclassification from Assets held for sale	42,039
Amortisation for the period	3,690
At 30 September 2022	338,349
Net book values	
At 30 September 2022	14,298
At 31 December 2021	16,389

No intangible asset was pledged as security for any liability as at 30 September 2022 (2021: Nil)

11. Investment Properties

	The Group		
	Freehold Building	Leasehold Building	Total Investment Properties
Fair value	N'000	N'000	N'000
At 1 January 2021	30,144	1,756,429	1,786,573
Transfer to properties under construction - Inventory	(30,144)	(638,871)	(669,015)
Disposals	-	(1,117,558)	(1,117,558)
At 31 December 2021	-	-	-
At 1 January 2022	-	-	-
Disposals	-	-	-
At 30 September 2022	-	-	-

UPDC Plc
Notes to the Consolidated Financial Statements (continued)
For the period ended 30 September 2022

12. Investments in Joint Ventures

	The Group		30 Sep. 2022 % holding	31 Dec. 2021 % holding
	30 Sep. 2022 N'000	31 Dec. 2021 N'000		
Investment in Joint Ventures				
First Festival Mall Limited	234,217	234,217	45.0%	45.0%
First Restoration Dev. Co. Limited	318,253	318,253	51.0%	51.0%
Transit Village Dev. Co. Ltd	73,606	73,606	40.0%	40.0%
	626,076	626,076		
Impairment allowance	(495,683)	(495,683)		
	130,393	130,393		

13. Equity instrument at fair value

	The Group	
	30 Sep. 2022 N'000	31 Dec. 2021 N'000
Opening balance at 1 January	593,690	733,774
Net changes in fair value of financial assets	(180,108)	(140,084)
	413,582	593,690

14. Investments in subsidiaries

Principal investments	The Company		% Shareholding	
	30 Sep. 2022 N'000	31 Dec. 2021 N'000	30 Sep. 2022 %	31 Dec. 2021 %
<i>UPDC Hotel Ltd.</i>				
2,082,500,000 Shares of =N=1.00 each	2,082,500	2,082,500	94%	94%
<i>Manor Gardens Dev. Company Ltd.</i>				
53,810,000 Ordinary Shares of =N=1.00 each	53,810	53,810	67.5%	67.5%
<i>UPDC Facility Management Ltd.</i>				
5,000,000 Ordinary Shares of =N=1.00 each	108,019	108,019	50%	50%
<i>Deep Horizon Investment Ltd.</i>				
1,000,000 Ordinary Shares of =N=1.00 each	1,611,697	1,611,697	95%	75%
	3,856,026	3,856,026		
Impairment of investments	(2,136,310)	(2,136,310)		
	1,719,716	1,719,716		

Investments in subsidiaries are measured at cost. Investment in Festival Hotel is now classified as a discontinued operation.

15. Inventories

	The Group	
	30 Sep. 2022 N'000	31 Dec. 2021 N'000
Non trade stock	48,951	-
Properties under construction - Note 15 (i)	4,996,382	6,084,508
Balance	5,045,333	6,084,508

15. (i). Properties under construction

	The Group	
	30 Sep. 2022 N'000	31 Dec. 2021 N'000
Balance 1 January	6,084,508	4,270,744
Additions	66,386	1,638,802
Reclassification from Investment Properties	-	669,015
Disposal	(1,154,512)	(475,270)
Impairment	-	(18,783)
	4,996,382	6,084,508

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

16. Trade and other receivables

	The Group	
	30 Sep. 2022 N'000	31 Dec. 2021 N'000
Trade receivables	912,313	790,006
Less: Provision for impairment of trade receivables	(744,264)	(744,264)
Net trade receivables	168,050	45,742
Receivables from group companies (Note 22)	1,275,916	2,092,119
Other receivables	743,168	515,733
Advances to staff	10,966	5,820
	2,198,099	2,659,414
Analysis of other receivables		
Mobilization payments to contractors	289,459	26,902
Prepayments and accrued income	27,372	33,159
WHT Receivables	1,768	24,591
Other Debtors	424,568	431,080
	743,168	515,733

17. Cash and cash equivalents

	The Group	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Cash at bank and in hand	1,301,654	1,044,171
Short term investment	1,721,966	834,181
Less: Impairment of Short term investments	(32)	(32)
Cash and cash equivalents	3,023,587	1,878,320

18. Borrowings

	The Group	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Current borrowings	-	-
Non-current borrowings		
UACN Plc Loan	2,516,509	2,516,509
Custodian Investment Plc Loan	2,995,144	2,995,144
	5,511,653	5,511,653
Total borrowings	5,511,653	5,511,653

Movement in total borrowing during the year is as follows:

	The Group	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Balance as at 1 January	5,511,653	5,422,500
Proceeds from borrowings	-	5,511,653
Interest accrued	393,491	763,707
Repayment of borrowings	-	(5,422,500)
Interest unpaid reclassified to payables	(220,791)	(88,185)
Interest paid	(172,701)	(675,522)
Balance	5,511,653	5,511,653

19. Trade and other payables

	The Group	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Trade payables	782,357	515,898
Contract liabilities - Note 19 (i).	2,108,231	2,168,341
Amounts owed to other related parties (Note 22)	420,879	210,460
	3,311,467	2,894,699
VAT/WHT Payables	29,864	14,840
Other payables	431,181	781,905
Unclaimed dividend	252,411	252,411
Provisions/Accruals	1,190,309	617,829
Total	5,215,232	4,561,683

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.

19 (i). Contract liabilities

	The Group	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Deposit by customers	2,108,231	2,168,341
	2,108,231	2,168,341

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

20. Deferred revenue

Deferred revenue are rentals received in advance which are recognized in the income statement when earned.

	The Group	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Within one year	98,610	98,610
Greater than one year	-	-
	98,610	98,610

The Group as lessor enters into operating leases for its investment properties under non-cancellable basis, as the lessee does not have the power to cancel the contract without the permission of the lessor. The tenure of the lease arrangements vary from 1 year to 2 years. The group as lessor does not have any lease arrangements under finance lease basis it does not typically transfer substantially all the risks and rewards incidental to ownership of leased assets to the lessee. All leased assets under operating leases are classified as Investment Properties and fair-valued annually based on the group's accounting policy and in line with the requirements of IAS 40".

21. Reconciliation of profit before tax to cash generated from operations

	The Group	
	30 Sep. 2022	30 Sep. 2021
	N'000	N'000
Loss before tax	(241,626)	(1,044,259)
<i>Adjustment for non cash items:</i>		
Depreciation	17,239	11,332
Credit loss expense	-	342,721
Amortization of intangible asset	3,690	2,388
(Profit)/ Loss on disposal of investment properties	-	(253,714)
Profit on disposal of property, plant and equipment	-	(9,711)
Finance cost	393,491	573,246
Finance income	(65,560)	(41,030)
Exchange gain	(188)	(9,628)
	107,046	(428,655)
Changes in working capital:		
(Increase)/decrease in inventories	1,039,175	237,470
Decrease/(increase) in receivables	430,461	552,319
Increase/(decrease) in payables	(140,869)	(322,700)
Net cash from/(used in) operations	1,435,815	38,434

22. 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.

Period-end balances arising from sales/purchases of goods/services	The Group	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Receivable:		
Balance - Gross	5,027,081	5,835,135
Provision for expected credit losses	(3,751,165)	(3,743,016)
Balance	1,275,916	2,092,119

Period-end balances arising from sales/purchases of goods/services	Relationship	The Group	
		30 Sep. 2022	31 Dec. 2021
		N'000	N'000
Receivable:			
UPDC Metrocity Limited	Joint Venture	1,049,693	1,860,956
First Festival Mall Limited	Joint Venture	2,614,513	2,614,513
First Restoration Dev. Co. Limited	Joint Venture	-	29,054
Calabar Golf Estate Limited	Joint Venture	647,598	647,598
Pinnacle Apartment Dev. Ltd/ Imani and Sons	JV Partner	323,999	300,346
Galaxy Mall Current Account	Joint Venture	74,034	74,034
Manor Gardens	Subsidiary	317,244	308,634
Impairment of Intercompany receivables - IFRS 9		(3,751,165)	(3,743,016)
		1,275,916	2,092,119

Payable:	Relationship	The Group	
		30 Sep. 2022	31 Dec. 2021
		N'000	N'000
UAC of Nigeria Plc.	Associate	101,810	41,125
Custodian Investment Plc.	Parent	119,982	47,922
UPDC REIT	Equity investment	40,652	46,858
MDS Logistics Ltd.	Common Control	1,787	1,787
James Pinnock	Joint Operation	65,725	72,741
First Restoration Dev. Co. Limited	Joint Venture	90,917	-
UAC Foods Limited	Sister Company	6	28
		420,879	210,460

All trading balances will be settled in cash.

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

23. Disposal group held for sale and discontinued operations

UPDC Hotel Ltd.

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

In period ending 30 September 2022, the Directors, in the light of recent development, decided to rescind the decision to sell the Hotel, and hence reclassified back as continuing operations with effect from September 2022.

In line with the requirements of the IFRS 5 relevant adjustments with regards to this reclassification has been passed in the current period. Also as required by IFRS 13, a fair valuation of the relevant assets existing as at that date was carried out by an independently appointed asset valuer "Messrs Knight Frank with FRCN number FRC/2013/NIESV/00000000655", to ascertain the value placed on these assets of the Hotel.

Analysis of the results of the discontinued operations for prior year is as follows:

	UPDC Hotel Ltd.	
	9 months ended 30 Sep. 22	9 months ended 30 Sep. 21
	N'000	N'000
Revenue	-	157,273
Cost of sales	-	(23,562)
Gross profit	-	133,711
Other operating costs	-	(177,076)
Other operating income	-	-
Operating profit	-	(43,365)
Finance income	-	-
Loss before taxation from discontinued operations	-	(43,365)
Taxation	-	-
Loss from discontinued operations	-	(43,365)

	UPDC Hotel Ltd.	
	30 Sep. 2022	31 Dec. 2021
	N'000	N'000
Assets		
Non-current assets:		
Property, plant and equipment	-	11,943,485
Intangible assets	-	5,130
	-	11,948,615
Current assets:		
Inventories	-	48,951
Trade and other receivables	-	90,592
Cash and short-term deposits	-	27,761
	-	167,304
Assets of disposal group classified as held for sale	-	12,115,919
Less: Impairment of assets of disposal group held for sale	-	(4,029,237)
Fair value of disposal group held for sale	-	8,086,682
Liabilities		
Current liabilities		
Trade and other payables	-	1,187,897
Liabilities of disposal group classified as held for sale	-	1,187,897

24. Additional Disclosures

Covid-19 Pandemic

Impact Review:

The pandemic has had wide reaching implications on business activities globally. We have however put appropriate strategies in place to manage the impact on our people, operations, customers and finances.

- **People:** We adopted a "People First" approach, ensuring the safety of our staff and customers. Flexible working was adopted to minimize the risk of exposure to the virus, and we were able to establish minimum disruption to business operations while working from home.
- **Operations:** Our businesses were stress tested at varying levels. We have continued to focus on cost optimization, negotiating discounts on every expenditure and agreeing appropriate payment plans with contractors.
- **Strategy:** We have reviewed and analyzed internal data and conducted market research, and based on these, we have reviewed our products and service offerings to align with the market. We will focus our energies on products and service offerings which offer stable and consistent demand
- **Technology:** We embraced digital transformation to ensure continued paperless access to our files, seamless communication with our employees and customers through virtual meeting platforms; and continued access to our products and services via the available digital channels.

Balance sheet analysis:

- **Property, Plant and Equipment:** The Company's Property Plant and Equipment consists mainly Motor Vehicles, Furniture & Fittings and Computer Equipment. We do not envisage any negative impact on this class of asset.
 - **Intangible Assets:** This class of asset includes software, which will not be negatively impacted by the effects of the pandemic.
 - **Investment in Joint Ventures:** There was a slowdown in sales of Joint Venture assets and recovery of receivables. We have planned for this in our budget for the year.
 - **Inventories:** There was a slowdown in sales of property stock. Our new developments will focus on Middle Income housing, which will help drive revenue for the year.
 - **Trade and Other Receivables:** We have performed a quarterly analysis and review of the portfolio and the impact on the Company. We will also continue to embark on recovery drives. Any required adjustment will be reflected in the appropriate reporting period.
-
- **Non-current liabilities:** The Company has put measures in place to ensure that the interest obligations on UACN and Custodian Investment Plc loans are met as and when due. The principal repayment is not yet due until 2026.
 - **Current liabilities:** We do not envisage any adverse impact on current liabilities.

UPDC Free Float Computation				
Company Name:	UPDC PLC			
Board Listed:	MAIN BOARD			
Year End:	December			
Reporting Period:	30 Sep. 2022			
Share Price at end of reporting period:	₦1.03			
Shareholding Structure/Free Float Status				
Description	30 Sep. 2022			
	Units	Percentage		
Issued Share Capital	18,559,969,936	100%		
Substantial Shareholdings (5% and above)				
Custodian Investment Plc	9,486,390,663	51.11%		
UAC of Nigeria Plc	7,953,143,897	42.85%		
Total Substantial Shareholdings	17,439,534,560	93.96%		
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Wole Oshin	-	-		
Mr. Folasope Aiyesimoju	-	-		
Mr. Odunayo Ojo	-	-		
Ms. Bidemi Fadayomi	-	-		
Mr. Adeniyi Falade	-	-		
Mr. Oyekunle Osilaja	-	-		
Total Directors' Shareholdings	-	-		
Other Influential Shareholdings				
First PCN/Crusader Pensions - PFA Main	216,154,500	1.16%		
Total Other Influential Shareholdings	216,154,500	1.16%		
Free Float in Units and Percentage	904,280,876	4.88%		
Free Float in Value	₦693,815,153.25			

Declaration:

UPDC Plc, with a free float percentage of 4.88% as at 30 September 2022, does not meet the free float requirements of the Nigerian Exchange Group for companies listed on the Main Board.

The Company is working on a plan to resolve this. This plan will be communicated appropriately as soon as it is implemented.