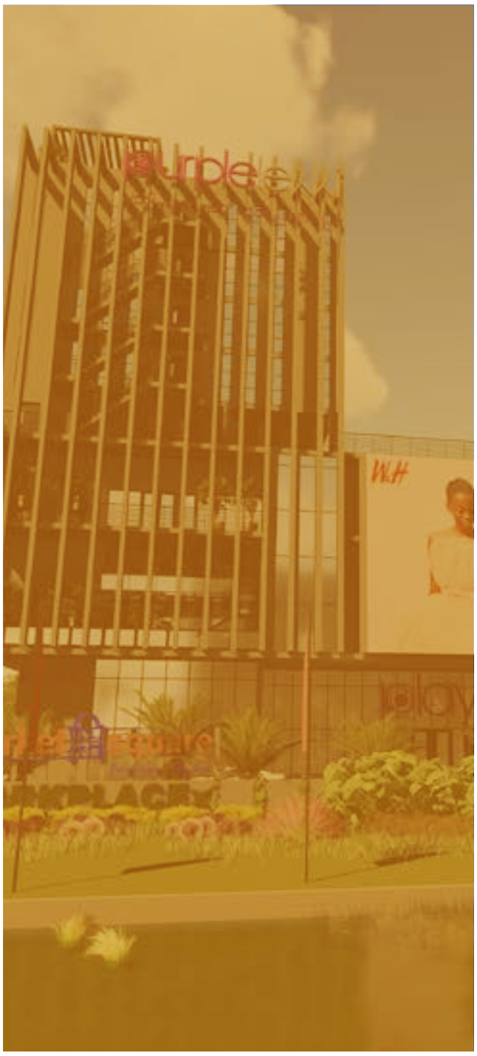
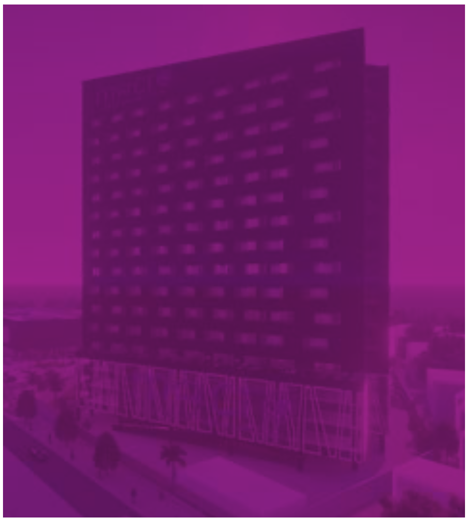
2021

FINANCIAL REPORT



ANNUAL
REPORTS &
ACCOUNTS



Created With The Astute Investor And Homeowner In Mind

purpleliving

Initial Deposit Starting From

₦7.5million

Payment Period - up to **36 months*** (terms apply)

Mortgage available for a tenor not more than age 60 of the borrower at loan maturity from

Imperial Homes

LBIC Mortgage Bankers

*subject to prequalification

contact@purple.xyz
+2348170PURPLE | +2348170787753
www.purpleliving.xyz

Brochures Available at Purpleliving.xyz

purple

purplemaryland
work • shop • eat • play • drink

purplelekki
work • shop • eat • play • drink • live

purpleliving
nano • macro • urban

purpleshop

purplemoney

purpletv

play

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Contact


purple ekki
square
play

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Company Information

1.1 Our Vision, Mission and Core Values

Who We Are

We are Purple! We are creating affordable lifestyle experiences for our consumers through our principal investments in superior mixed-use facilities and services.

Our lifestyle services spans through real estate, retail, e-commerce, media and advertising, entertainment and family fun, financial services amongst others, all focused on driving our mission to create lifestyle experiences for our consumers with convenience, affordability and finesse.

Our new focus is clear, working with our range and network of partners, we are creating lasting experiences for people across all income levels by investing in lifestyle infrastructure and value creation.

We are creating the ultimate lifestyle experience for our consumers with convenience, affordability and finesse; leveraging our market knowledgelexpertise as well as network to attract, invest and deliver positive alpha returns to our investors. Our lifestyle portfolio of developments include PurpleMaryland, PurpleLekki, PurpleLiving, Redworth Terraces and Bishopsgate Residences.

Mission

We are creating affordable lifestyle experiences for our consumers through our principal investments in superior mixed-use facilities and services.

Core Values

As a company, we have a **PACT** to ensure organizational excellence across all our business endevors; we do this through:

Persistence

We stay focused on our goals in spite of obstacles.

Audacity

We Are willing to take bold and calculated risks.

Collaboration

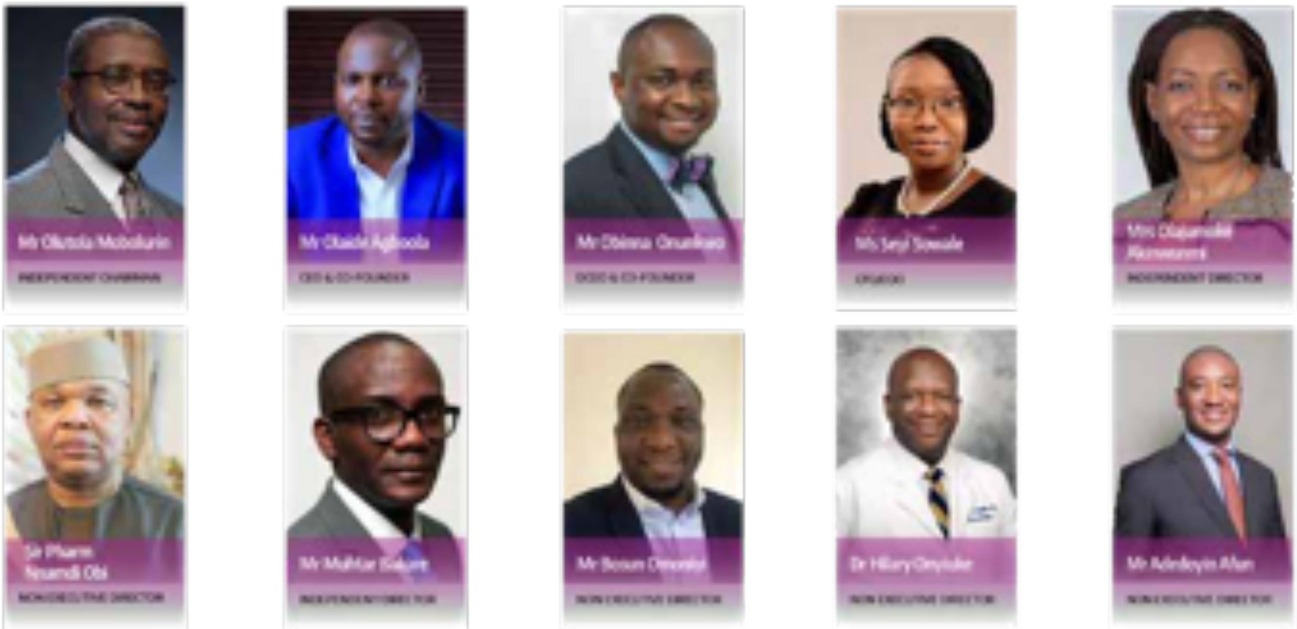
We understand that to go further, we have to go together.

Transparency

We are visible, accessible and direct in our business dealngs.

1.2 Corporate Overview

Board of Directors



Registered Office

10, Da Silva Street,
Off Chris Madueke Drive,
Admiralty Way,
Lekki Phase 1, Lagos

Business Office

10, Da Silva Street,
Off Chris Madueke Drive,
Admiralty Way,
Lekki Phase 1, Lagos

Independent Auditor

KPMG Professional Services
KPMG Tower,
Bishop Aboyade Cole Street,
Victoria Island, Lagos.

Company Secretary

Bloomfield Law Practice
15, Agodogba Avenue
Parkview,
Ikoyi, Lagos

Company Registration No

RC 1185154

AUDIT, FINANCE AND STRATEGY COMMITTEE		
1.	Mr. Mukhtar Bakare	Independent Chairman
2.	Mr. Adedoyin Afun	Member
3.	Mr. Olatunbosun Omoniyi	Member
4.	Mrs. Olajumoke Akinwunmi	Member

NOMINATION, GOVERNANCE, RENUMERATION COMMITTEE		
1.	Mr. Mukhtar Bakare	Independent Chairman
2.	Mr. Adedoyin Afun	Member
3.	Prof Hilary Onyiuke	Member
4.	Sir (Pharm) Nnamdi Obi	Member

RISK COMMITTEE		
1.	Mrs. Olajumoke Akinwunmi	Independent Chairman
2.	Sir (Pharm) Nnamdi Obi	Member
3.	Mr. Olatunbosun Omoniyi	Member
4.	Prof. Hillary Onyiuke	Member
5.	Mr. Adedoyin Afun	Member
6.	Mr. Olaide Agboola	Member
7.	Mr. Obinna Onunkwo	Member

1.3 Results at a glance

Operating results
The following is a summary of the Group operating results:

In Thousands of Naira	Group 2020	Group 2019	Company 2020	Company 2019
Total operating (loss)/income	944,173	1,029,657	8,740	
Loss before taxation	(1,864,829)	(1,172,339)	(126,953)	(3,500)
Taxation	(68,926)			
Loss after taxation	(1,933,755)	(1,172,339)	(126,953)	(3,500)
Other comprehensive Income	8,135			
Total Comprehensive Loss for the year	(1,925,620)	(1,172,339)	(126,953)	(3,500)

Dividend
The Board declared an interim dividend of 20 Kobo per ordinary share of the Company for every share held by shareholders as at 30th November 2020, and a final dividend per ordinary share of 3 Kobo per ordinary share of the Company for every share held by shareholders as at 30th December, 2020. The total amount of dividend declared is N8,740,000 for the year ended 31 December 2020 (2019: Nil).

Analysis of Shareholdings
The shareholding structure of the Company at the end of the year was as follows:

	2020		2019	
Shareholders	No. of Ordinary shares of N1 each		No. of Ordinary shares of N1 each	
Purple Reltail Limited	100%	18,999,999	100%	18,999,999
Purple Retail Managers Limited	0%	1	0%	1
	100%	19,000,000	100%	19,000,000

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Operational Review

2.1 Notice of AGM

Mr. Olayide Agboola

10, Da-silva Street
Off Chris Madueke Drive
Admiralty Road
Lekki Phase 1
Lagos.

Dear Sir,

NOTICE OF THE 4TH ANNUAL GENERAL MEETING OF PURPLE REAL ESTATE INCOME LIMITED

NOTICE IS HEREBY GIVEN that the 4th Annual General Meeting of Purple Real Estate Income Limited (the **"Company"**) will be held on Tuesday, May 18, 2021 via the Zoom Video Conferencing Application by 9:00am prompt to transact the following businesses:

ORDINARY BUSINESS

1. To approve the accounts of the Company for the year ended 2020.
2. To declare 20kobo interim dividend per ordinary share of the Company for every share held by shareholders as at 31 March 2021 for the period ending 30 November 2020.
3. To elect/re-elect directors.
4. To appoint/re-appoint auditors.
5. To authorize the directors to fix the remuneration of the auditors.

PROXY

A member of the Company entitled to attend, and vote is entitled to appoint a proxy instead of himself and such proxy need not be a member of the Company. A form is enclosed and if such is to be valid for the purposes of the meeting, it must be deposited with the company's secretary not less than 48 hours before the time of holding the meeting.

DATED THIS 17th DAY OF FEBRUARY, 2021

BY ORDER OF THE BOARD

BLOOMFIELD LAW PRACTICE
Company Secretary

Directors Outola Mobolurin | Sir (Pharm) Nnamdi Obi | Olayide Agboola | Adedoyin Afun
Obinna Onunkwo | Olatunbosun Omonyi | Olajunmoke Akinwunmi | Muhtar Bakare
Dr Hilary Onyiuke | Oluseyi Sowale

2.2 Chairman's Statement

Mr Olutola Mobolurin

It gives me great pleasure to present the Annual Report for 2020; a year which will always be remembered for the massive change it brought. No one was left out of the effects of the global pandemic which continues to pose significant risks to lives, businesses and our very way of life. Everyone from students to multibillion dollar companies have had to adapt to survive and stay on course.

It has been a steep learning curve for many businesses as it has forced everyone to show their survival instinct in the face of unexpected economic disruptions. The key questions have remained the same, but this past year finding the right answers has been even more critical. How do we assure our investors their returns are achievable or deliver on the proposed assets amidst lockdowns, insecurity, unpredictable regulatory policies and a contracting economy? How do we support our tenants and continue service delivery while also maintaining profitability? We found answers in our mixed-use format, which we rolled out in two locations, PurpleLekki and PurpleMaryland.

We found answers in our partners and investors who stood by us and continued to believe and point us in the right direction. We found answers in our people, who were able to adapt and went above and beyond to deliver in the most challenging and unprecedented of circumstances. This report looks at how the company responded and moved past one of the most challenging years for business ever.

Covid 19 Response

In the month of March 2020, Nigeria's Federal Government declared a mandatory shut down of all businesses apart from those offering essential services vital to sustain the public throughout the ongoing Coronavirus crisis. As part of safety measures, many of our tenants had already begun shutting down operations from the 13th of March when this situation became more protracted in Lagos. Our team implemented requisite safety measures immediately and made all arrangements to ensure our flagship asset PurpleMaryland could remain open as an essential location throughout this period.

The COVID 19 crisis highlighted the need for us to reevaluate our business model, within the context of the rapidly unfolding new normal. This period of self-reflection gave us the chance to assess the direction in which the business was headed and determine our three critical success factors to survive and come out of this 2020 in a strong position. These key items were: ensuring our tenants could survive till the end of lockdowns and recommence operations; keeping staff and customers safe and developing even more resilient product ecosystem to ensure Purple can compete within the new business environment.

1.Ensuring Tenant Survival

We had to employ a diplomatic amicable approach in dealing with our tenants. For us this meant striking a balance between maintaining our revenue expectations and conceding enough to keep our non-trading tenants with us. Our strategy was to prorate and defer rental payments where possible while also maintaining a small charge for shared services. We trimmed down PurpleMaryland's service provision to accommodate the fact that 90% of tenants would not be trading and committed to a lean operating model stretching our Human Resources and capital to its limits.

2.Keeping Staff and Customers Safe

Staying open as an essential service provider came with the added responsibility of ensuring that our spaces are safe and that we contain the spread of the virus. Recognizing that people are the core of all sides of our business, we implemented a set of policies to ensure we were doing as much as possible to support and protect our people. This included institution of new working patterns, digital tools and technology. Our customer facing locations like PurpleMaryland underwent regular risk assessments to provide assurance that we were properly securing customer and employee lives. Our offices construction sites were maintained with utmost adherence to regulatory requirements and best practices.

3.Developing new resilient products
This period showed us in clear terms the need to ensure our ethos continues to shine through in our implementation. The company had to revisit its approach to ensure its newest offerings were built to withstand the peculiarities of the immediate and long term future. Hence our upcoming residential developments took on a determinedly all-inclusive nature to ensure that homeowners were within touching distance from everything they could need in the event of another lockdown. We brought forward the development of our E-Commerce platform, PurpleShop, and expanded its scope to include not just Purple tenants. We've developed new products to bring more essential products like affordable living and financial / investment services to more people.

Corporate Governance
The company remains dedicated to ensuring good corporate governance permeates through the organization. The Board of PREIL met every quarter in the year 2020 as required by the Board Charter. The Board committees continue to engage in high level interventions to ensure the company follows a well thought through approach. The Board has been stable throughout the year, with no additions to its composition. All directors have been instrumental in guiding the company through the tough times experienced this year.
We welcomed new shareholders in 2020. The pandemic and challenges notwithstanding we were pleased that new investors still believed and saw enough to be a part of our Purple vision.

Risk Management
The Board Risk Committee acted as a signpost for the company, anticipating and providing well considered solutions to the various concerns surrounding our business in this unique macroeconomic environment.
Security Issues

The recent upturn in insecurity within the nation was exacerbated by the aftermath of the. #EndSARS campaign, that was felt nation-wide and which degenerated into civil unrest. The violence, looting and destruction of business facilities associated with that period was a major concern for business owners all over the country. This was especially felt in our commercial / retail industry as centres like ours were targeted for large scale looting and destruction.

Fortunately, PurpleMaryland survived this period and this can be attributed to the existing relationships and security measures we have developed, notably with security services and community leaders within the immediate area. These existing measures have been adequate so far with securing PurpleMaryland to date. Our team also built on these measures, making improvements to the physical security of the building including extensions to perimeter fences, fortification of existing entry points as well as installation of roller shutters and other barriers.

Revenues
Though our various revenue streams were inevitably affected by the events of the past year, the team have taken some steps to secure the revenue generation ability of our company. Following our amicable tenant retention strategy employed during the lockdowns, the team has transitioned to focusing efforts on supplementing the existing tenant base with new entrants taking into account the current economy. These new rents from companies like Moove and Epson amongst others are restoring our rental spreads. While other revenue lines like advertising and parking are recovering, we have seen significant growth in our development management business, as construction picks up.

Foreign Exchange
Consistent devaluation of the Naira and its resultant effect are a key concern for real estate businesses like ours. We have taken steps to secure our pricing on our PurpleLekki and PurpleLiving builds. Our strategy is based on extremely early lead times and strategic partnerships with our vendors and consultants. We have also negotiated fixed contracts to tie down construction costs. Our focus on a domestic team and featuring Nigerian products has also been beneficial.

2021 Outlook

We are committed to executing the next phase of the Company's development plan, expanding on efforts in the lifestyle and real estate businesses. On construction, PurpleLekki continues to make significant onsite progress. When completed the 8 floor edifice will redefine mixed use developments and all-inclusive living in Nigeria. We have signed up our Macro development to commence construction in the latter part of 2021. Our Sukuk financed Urban development also adds to a burgeoning bank of world class construction projects we are poised to embark on. Off plan sales of these units have already begun with our Nanos already fully sold out largely during 2020. This gives us great optimism that our assets provide an attractive investment opportunity for investors. Our PurpleLiving Brand was deployed specifically to take advantage of this fact and has made significant efforts in educating the public on Purple's unique home ownership propositions. We have opened up the Group to new investors in 2020 and will continue to raise equity and debt to finance these projects. The year 2020 saw the group successfully raise about 6 billion naira from HNIs and Institutions. Part of these funds were geared towards our ongoing plan to pay out foreign denominated credit lines by 2021 - 2022. The Business continues to place emphasis on Naira in our Investment and Tenant Agreements and is focused on taking up cheaper long-term Naira investments as the cornerstone of its financing strategy.

The company has already made significant progress towards this through a N5b Sukuk bond specifically targeted for the Urban Development. Throughout the course of 2021 and 2022, we will continue to raise additional equity via private placement and rights issue, with an ultimate plan for a public offer of its shares.

Conclusion

2020 has been a year full of ups and downs, the repercussions of which are still unfolding and being discovered. Surviving this year and making the strides we have, regardless gives encouragement that the company is along the right path to meeting its strategic goals. The success of 2021 will be built on the strong foundations we have laid in 2020.

2.3 Chief Executive Officer's Statement

Mr Olaide Agboola

2020 was a year unlike any other, businesses all over the world ground to a halt and had to adapt to the unprecedented challenges in operating conditions.

For Purple, the aforementioned challenges have led to a continuous reconfiguration of our capital structure, quick response to market changes and customer/partner changes to the market. We have yet again had to forge ahead and test our products in the harshest market conditions. This year has seen us reinforce our key competencies as well as take the business in a new direction, opening up the Purple Brand and products to a whole new demographic.

2020 Review
Purple undertook a rebranding process this year, choosing to highlight the lifestyle elements of the business to ensure that the key message that consumers can identify with is communicated. This we believe is extremely important with all that happened in 2020.

Purple Maryland
Our flagship asset continues to deliver a strong blend of fun and function within the Maryland Neighbourhood. The month of March brought severe lockdowns shutting down non essential services. PurpleMaryland came to the fore housing essential services like groceries, pharmacy and food, retaining a sense of normalcy and catering to the people during the most restricted, and challenging period of the pandemic, where many other businesses unfortunately packed up. We however managed to keep our occupancy at 97% during this period with some elements of short term concessions and our tenants were resilient enough to ride out the storm. Keeping the building open all year round provided further verification that our mixed use retail strategy, focusing on essential services and domestic retailers who are flexible and have shown adaptability to the peculiarities of the Nigerian Market is yielding results. This was not without its challenges however, as other non-essential stores had to hold out on operations and quick decisions had to be made to ensure we could keep the asset running as well as keep tenants in business.

PurpleMaryland also weathered the storm of insecurity that intensified within the country especially following the #endsars campaign. Our relationship with the community, law enforcement and regulatory stakeholders was put to the test with these challenges, and we have had to undertake a range of measures to improve the assets ability to withstand major unrest and access to emergency and security services.

Performance
The well documented effects of the pandemic took a toll on PurpleMaryland's Key Performance Metrics, however the asset did manage to make some progress towards set targets. Lockdowns and the lack of movement resulted in a cir 30% drop in foot traffic within the centre from prior years numbers. We have seen confidence slowly returning to the public though, as our foot traffic numbers build back up to cir 3000 visitors per day. As part of measures taken our parking revenues had to be halted totally from April to June with minute human traffic on the streets and a limit on numbers within every public location. Parking was restored in the Month of October 2020 and has now reverted to cir 75% of previous highs as customer habits slowly adjust and take on a new normal.

Our advertising business continued to attract significant interest, with many brands trusting us to deliver their message via our internal and external screens, while we noticed a downturn in advert enquiries in line with the contracting economy, we also received new first time advertisers on our platforms while retaining our existing customers. In all, managing our tenant relationships was extremely challenging during the year and numerous concessions had to be made to ensure that our tenants could push through the challenging period. Rent and service charge was also deferred for a majority of the tenants and in a few cases some rent reductions were granted to some seriously impacted tenants. New tenancies were taken up, with the likes of Epson, Moove and Casper Gadget Store amongst others taking up spaces within the calendar year.

CSR
PurpleMaryland continued to play its part in enriching the neighbourhood in 2020. The Company was involved in 2 blood drives geared at sickle cell support and for the victims of the #endsars protests. We continued our support for children and young people via our partnership with JAKIN, a Lagos based NGO. Our LED Screen the Dragon created awareness for worthy causes, including children's cancer, ending police brutality and promoting female empowerment. The Centre continued its practise of imparting education on the next generation, hosting academic field trips for estate management management students amongst other academic and professional groups.

PurpleMaryland has always been more than just a building but a strong part of the fabric of this neighbourhood and we shall continue to impact our neighbourhood and country positively.

PurpleLekki
Our new development in the Lekki area gathered serious momentum in the last quarter of 2020, as we finalized acquisition of the property, moved to site and began lifting this 8 floor mixed use centre. The qualified contractor, Dutum, has started the project well. Although the lockdowns and restrictions on social gatherings slowed site progres down in 2020, however, as we write this in April 2021, the building is currently approaching the first floor stage. PurpleLekki is poised to solidify the purple development plan, elevating the mixed use concept pioneered at Maryland, building on lessons learnt and bringing our signature 'bold and black' silhouette to the Island. These two marquee centres will form the core of our Commercial Real Estate Platform.

We have also made considerable progress in terms of filling up the spaces within the centre. With our anchors signed up and marketing efforts thus far, the retail element of this asset currently sits at cir70% occupancy. We are also in discussions to fill up the kiosk spaces as well as the coworking and gym with key partners.

Our Nanos which sit atop the PurpleLekki Development, have proved a hit within the buyers market. We have received significant interests and commitments from buyers for these studio to 4 bed apartments. These professionally styled aparthotels provide homeowners with an unmatched all inclusive living experience, where everything from workspaces to the best restaurants and bars, shopping and so much more are all within touching distance, our management and assured tenancy model has also been well received with customers appreciating the stress free approach to home ownership.

We are currently closing out on an alliance with a Development Bank. This is far advanced.

PREDCO
PREDCO our development arm continues to act as the core service and facility manager for Purple Maryland and Development, Sales and Leasing manager for PurpleLekki deriving both development and facility management and agency fee income from its activities and which explains the growth in the companies fee income from just 2.5million in 2016 to 285.7million in 2020 showing a 99% growth in Fee Income. Purple Maryland and Lekki Residential makes up over 70% of the total fee income reported.

PREDCO's other income comprises of outsourced services from Purple Maryland as well as Lekki Residential for staff seconded to Purple Maryland and Lekki Residential and other associated expenses from other shared service recoveries which has shown considerable growth of 87% from 2017 till date. PREDCO recorded its highest so far in 2019 with a decline of 26% because of the dip in operations due to the COVID-19 lockdown.

As the company continued to expand over the years, operational expenses continue to grow considerably as well to meet up with the expanding demand for its services. In 2018, the company's operational expenses grew by 54% and an additional 74% in 2020 which was majorly as a result of personnel expenses which speaks to the spike in the income derived from outsourced services.

The company has continued to retain its profitable position since 2017 to date reporting its highest in in the just concluded 2020 audited financials with a profit before tax of 185 Million Naira and an average net profit margin of 46% over the years.

The company has managed to remain considerably liquid over the years by imbibing in proper liquidity management processes. PREDCO's asset base have shown significant growth over the period along with considerable growth in shareholder's equity which has more than doubled since inception. The company has also managed to maintain its level of gearing over the period reporting an average debt ratio of 78%.

Purple Living
Under our Residential focus, we placed heavy emphasis on choice and affordability creating a variety of options to suit different budgets and families. This year we were pleased to unveil PurpleLiving our stunning new collection of premium homes created with the astute investor and homeowner in mind, featuring a wide range of housing types and formats to suit every individual or family, ranging from affordable premium to high end concepts.

Our current portfolio of projects includes Nanos and Urbans in Lekki and Macros in Maryland Lagos. All three locations include close proximity to our mixed use retailtainment centres offering homeowners an unrivalled live-in experience with everything from shopping, workspaces, cuisine and entertainment all within touching distance. Purpleliving presents a unique home ownership opportunity with significant value appreciation for buyers.

Purple has partnered three reputable Mortgage Providers to make investment in our Macro and Urban more affordable and accessible to more people.

We have taken ownership of the Macro site which borders the PurpleMaryland Location and will be moving to site in the near future to deliver one of the tallest skyscrapers in the Lagos Mainland. This 130 unit development (of 1, 2 and 3 bedrooms) will have incredible views of the Lagos skyline and off-plan sales have already begun.

Our Urban site is located right behind PurpleLekki and will feature 189 units broken down into 7 different housing classes of 3, 4 and 5 bedrooms. The Urban will be our most premium offering yet. Located on a 3.65 Hectares of property off Freedom Way, we aim to capitalize on this unique arterial route which is poised to connect the Lekki area like never before. We are in the process of securing a Sukuk Bond to embark on phase 1 of this ambitious development.

PurpleLiving will continuously look for opportunities to reduce the housing deficit in Nigeria, whilst delivering a tasteful living experience for homeowners. Our pipeline consists of landed locations at Arowojobe, GRA and Chevron amongst others.

Purple Proptech
As part of our new direction, our product line has grown in the past few months with the ultimate goal being to bring down barriers and access to world class retail, entertainment, financial services and investments. Purple is leveraging technology to create a unique ecosys-tem of interconnected products in the cloud, and offline. Purple Proptech's first offerings are Purpleshop (an online store bringing together established mall and standalone retailers and vibrant fast growing online vendors) and Purple TV (an online tv channel and our outlet to showcase and invest in Nigerian Arts and Creatives).

PurpleShop was unveiled at the tail end 2020 and has built up momentum into the new year, signing up over 70 retailers with cir 20,000 products. Purpleshop hopes to bridge the gaps created by changing consumer behaviour whilst Purple TV is putting a face to the Purple Brand as people have always known it and documenting our journey.

One of our key goals with Purple Proptech is to develop a dynamic new customer base for the Purple group, to groom and consistently tap into, meeting them with the relevant products to help as they advance through their lives and careers. More proptech product offerings are being developed and will be launched through the coming year

Financial and Investment Review

The effects of the covid 19 pandemic inevitably had its impact on our financial results for the year 2020. However the progress made in spite of these setbacks gives us confidence that our direction will yield sound results. Above all, our ability to be flexible and manage our investor relationships has been a key factor in ensuring the company was able to survive 2020.

The state of the economic and currency issues in Nigeria has made investors wary. Fortunately, our product offerings work for our partners, our insistence on revenue diversification and our focus on essential products have allowed us to have assets that can weather severe storms like the world faced in 2020. We have not only seen great uptake in our Units, but also in equity as we secured additional equity during this challenging year with all it brought

For Purple, maintaining and building this investor confidence is key and we are working aggressively to repay this faith by continuously delivering value. We aimed to remain liquid prior to the pandemic whilst restructuring our books. We are achieving that via a combination of additional rounds of equity investment following what was achieved last year plus additional domestic debt funding for our expansionary activities within the essential space despite market conditions.

In light of all this we are delighted that the Board has been able to approve a dividend payout despite the extenuating circumstances described above.

Our ultimate plan is to provide a liquidity offering for our investors over the next 24 months via an initial public offering or listing in the appropriate market and at the appropriate time.

We look forward to a strong 2021 and even stronger support from You, Our Shareholders.

3

Corporate Governance & Director’s Report

3.1 Directors' Report

For the year ended 31 December 2020
The directors present their annual report on the affairs of Purple Real Estate Income Limited ("the Company") and its subsidiary ("the Group"), together with the consolidated financial statements and independent auditor's report for the period ended 31 December 2020.

Legal Form
Purple Real Estate Income Limited ("the Company"), (formerly known as Purple CRE SPV Limited) was incorporated as a private limited liability company in Nigeria on 16 April 2014. The change of the Company's name from Purple CRE SPV Limited to Purple Real Estate Income Limited was approved on 26 September 2019.

Principal activity
The principal activities of the Company includes acquisition and execution of investment opportunities in all sectors of the economy, to act as property developer and to engage in all associated undertakings including the demolition, renovation and refurbishment of buildings, property and facility management. The Group Financial Statements comprise the results of Purple Real Estate Income Limited, Maryland Mall Limited, Purple Real Estate Developement Company Limited and Lekki Retailtainment Limited.

Group Structure
Purple Real Estate Income Limited has three (3) directly controlled subsidiaries. The subsidiaries of Purple Real Estate Income Limited are Maryland Mall Limited, Purple Real Estate Development Company Limited, and Lekki Retailtainment Limited. The Group offers its services to private, public and corporate clients through a number of products. These products include purchase, lease, development and management of estate properties to generate rental income and other services such as, demolition, renovation and refurbishment of buildings, property and facility management.

Operating results
The following is a summary of the Group operating results:

In Thousands of Naira	Group 2020	Group 2019	Company 2020	Company 2019
Total operating (loss)/income	944,173	1,029,657	8,740	-
Loss before taxation	(1,864,829)	(1,172,339)	(126,953)	(3,500)
Taxation	(68,926)			
Loss after taxation	(1,933,755)	(1,172,339)	(126,953)	(3,500)
Other comprehensive Income	8,135			
Total Comprehensive Loss for the year	(1,925,620)	(1,172,339)	(126,953)	(3,500)

Dividend
The total amount of dividend declared is N8,740,000 for the year ended 31 December 2020 (2019: Nil).

Analysis of Shareholdings
The shareholding structure of the Company at the end of the year was as follows:

	2020		2019	
Shareholders	No. of Ordinary shares of N1 each		No. of Ordinary shares of N1 each	
Purple Reltail Limited	100%	18,999,999	100%	18,999,999
Purple Retail Managers Limited	0%	1	0%	1
Total Comprehensive Loss for the year	100%	19,000,000	100%	19,000,000

Directors and their Interests
The directors who held office during the year are as follows:

1.	Olutola Mobolurin	Chairman
2.	Olaide Agboola	Executive Director
3.	Obinna Onunkwo	Executive Director
4.	Oluseyi Sowale	Executive Director
5.	Olajumoke Akinwunmi	Independent Director
6.	Muhtar Bakare	Independent Director
7.	Olatunbosun Omoniyi	Non Executive Director
8.	Adedoyin Afun	Non Executive Director
9.	Hilary Onyiuke	Non Executive Director

As required to be disclosed under section 303 of the Companies and Allied Matters Act (CAMA), 2020, there are no direct and indirect shareholding of directors in the Company as at 31 December 2020.

Directors interest in contracts
None of the directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act (CAMA), 2020, of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Investment property
Information relating to changes in investment property is disclosed in Note 10 to these financial statements.

Charitable donations
The Group did not make any donation during the year under review (2019: Nil).

Property and equipment
Information relating to changes in property plant and equipment is given in Note 11 to the financial statements. In the directors' opinion, the realisable value of the Group's property, plant and equipment is not less than the value shown in the financial statements.

Health, safety and welfare at work
The Group places high premium on the health, safety and welfare of its contractors in their place of work. In order to protect other persons against risks to health and safety hazards arising out of or in connection with the activities at work, the Company has adopted comprehensive safety policies and procedures and set up safety committees within the Group, which review safety facilities on a regular basis and make recommendations.

Events after the reporting period
There were no events after the end of the reporting period which could have a material effect on the financial statements of the Group which have not been recognized and/or disclosed in the financial statements.

Independent Auditors

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company.In accordance with Section 401 (2) of the Companies and Allied Matters Act (CAMA), 2020 therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD

Afun Adedoyin
FRC/2017/NBA/00000019483
For: Bloomfield Law Practice
Company Secretary
18 May 2021

3.2 Statement of Directors' responsibilities in relation to the financial statements for the year ended 31 December 2020

The directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Group and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Olutola Mobolurin
Chairman
FRC/2013/CISN/00000003804
18 May 2021

Mr. Olaide Agboola
Executive Director
FRC/2013/IODN/00000003519
18 May 2021

3.3 Statement of Corporate Responsibility for the Financial Statements for the Year Ended 31 December 2020

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Chief Executive Officer and Chief Financial Officer, hereby certify the audited financial statements for the year ended 31 December 2020 as follows:

a) That we have reviewed the audited financial statements for the year ended 31 December 2020.

b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2020.

d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the companies, during the period end in which the audited financial statements report is being prepared.

e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certifies that the Company's internal controls are effective as of that date.

f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.

g) That we have discussed the following information to the Company's auditors:

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr. Olaide Agboola
Executive Director
FRC/2013/IODN/00000003519
18 May 2021

Ms. Oluseyi Sowale
Chief Financial Officer
FRC/2020/006/00000021622
18 May 2021

- Swimming Pool Area
- Multi-level Parking
- Kids and Games Area
- 24hrs Power Supply

Starting price of **₦30million**
Initial Deposit from
₦7.5million

Payment Period -
up to **36 months*** (terms apply)

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4

Financial Statements

4.1 Independent Auditor's Report

To the shareholders of Purple Real Estate Income Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have auorted the consolidated and separate financial statements of Purple Real Estate Income Limited (the Company and its subsidiaries (together, the group" which comprise:

- the consolidated and separate statements of financial position as at 31 Decembe 2020
- the consolidated and separate statements of profit or loss and other comprehensive inconte
- the consolidated and separate statements of changes in equity.
- the consolidated and separate statements of cash flows for the year then ended, and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December, 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then endeo in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act ICAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011

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 International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants lincluding International Independence Standards (IESBA Coda) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Directors are responsible for the other information. The other information comprises the Corporate information Results at a glance, Directors report. Statement of directors responsibilities in relation to the financial statements, Statement of corporate responsibility for the year ended 31 December 2020 and Other national disclosures included in the annual report, but does not include the consolidated and separate financial statements and our auditor's report thereon Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express 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 It based on the work we have performed, 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 of conscicated and separate financial statements that give a true and te vew in bucorda ce with IFRSs and in the manner required by the Companies and Alled Matters Act ICAMA 2020 and the Financial Reporting Council of Nigene Act, 2013, and for such intamal cintrol as the directors determine is necessary to enable the preparation of financial statements that are free from meserial misstatement, whether due to fraud of or error.

In preparing the consolidated and separate financial statements the directors are responsible for assessing the Group and 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 rectors either intend to liquidate the Group land Coroanyi case ope ations, 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 consoidated and separate financial statements as a whole are free from matenal misstatement whether due to fraud or error, and to issue an auditor's report that mcludes our opinion. Reasoracle assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always petect a matenal misstaternent whert it exsts. Misstatements can arse from fraud ut eltor and are corsdered material i individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAS, we exercise professional judgment and maintain professional skeptic throughout the audit. We also:

- Identity and assess the risks of material misstatement of the consoldated and separate financial statemeris, 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 tisk of not detecting a material musstatement resulting from fraud is higher than for one resulting from ecro, as fraud may involve colusion, fargery, intentional omissions, misrepresentations, or the overtide of internal control

- Obtain an understanding of internal control relevant to the audt 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 land Company's intemal 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 directons use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists rected to events or conditions that may cest significant doubt on the Group land Company's ability to continue as a going concern if we conclude that a matenal uncertainty exists, wwe ate 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 inadeguate, to modify our coinion Our conclusions are based on the audit evidence obtained up to the die of our auditor's report. Howeve future events or conditions may cause the Group and 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 for presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consoldated financial statements, We are responsible for the direction, supervision and performance of the group aust. We remain solely responsible for our audit opinion We communicate with the Board of Directors 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

Report on Other Legal and Regulatory Requirements
Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020)

i. We have obtained all the information and explanations which to the best of our knowledge and telef were necessary. for the purpose of our audit.
ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books
iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Adegoke Oyelami, FCA
FRC/2012/ICAN/00000000444
For: KPMG Professional Services
Chartered Accountants
18 May 2021
Lagos, Nigena

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

For the year ended 31 December

In Thousands of Naira	Notes	Group 2020	Group 2019	Company 2020	Company 2019
Revenue	5	808,608	1,028,628	-	-
Other income	6(a)	135,565	1,029	8,740	-
Total operating income		944,173	1,029,657	8,740	-
Fair value loss on investment properties	6(b)	(953,461)	(828,780)	-	-
Finance cost	7	(1,153,816)	(568,054)	-	-
Personnel Expenses	8	(157,756)	-	-	-
Operating expenses	9	(607,664)	(823,738)	(5,895)	(3,500)
Impairment (charges)/write-back	10	63,695	18,576	(129,798)	-
Loss before taxation		(1,864,829)	(1,172,339)	(126,953)	(3,500)
Income tax expense	22	(68,926)	-	-	-
Loss for the year after taxation		**(1,933,755)**	**(1,172,339)**	**(126,953)**	**(3,500)**
Other comprehensive income		8,135	-	-	-
Total comprehensive loss for the year		**(1,925,620)**	**(1,172,339)**	**(126,953)**	**(3,500)**
Loss for the year is attributable to:					
Equity holders of the Company		(1,933,755)	(1,096,965)	(126,953)	(3,500)
Non-controlling interest	20(f)	-	(75,374)	-	-
Loss for the year		**(1,933,755)**	**(1,172,339)**	**(126,953)**	**(3,500)**
Total comprehensive loss attributable to:					
Equity holders of the Company		(1,925,620)	(1,096,965)	(126,953)	(3,500)
Non-controlling interest	20(f)	-	(75,374)	-	-
Total comprehensive loss for the year		**(1,925,620)**	**(1,172,339)**	**(126,953)**	**(3,500)**

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements.

Starting price of **₦85million**
Initial Deposit from
₦21.5million

Payment Period -
up to **36 months*** (terms apply)

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4.3 Consolidated and Separate Statement of Financial Position

As at 31 December 2020

In Thousands of Naira	Notes	Group 31 Dec 2020	Group 31 Dec 2019	Group 1 Jan 2019	Company 31 Dec 2020	Company 31 Dec 2019
ASSETS						
Non-current assets						
Investment property	11	12,468,784	11,490,000	12,194,246	-	-
Property and equipment	12	90,327	155,190	220,097	-	-
Intangible assets	13	22,380	3,600	3,600	-	-
Investment in subsidiary	14	-	-	-	2,044,863	1,917,764
Total non-current asset		**12,581,491**	**11,648,790**	**12,417,943**	**2,044,863**	**1,917,764**
Current assets						
Trading properties under development	15	1,192,425	-	-	-	-
Account receivable	16	167,985	149,260	183,610	-	-
Other asset	17	1,617,679	1,368,164	1,631,733	337,591	-
Investment securities	18	150,929	-	-	42,794	-
Cash and cash equivalents	19	792,718	2,547	58,452	2,023	-
Total current assets		**3,921,736**	**1,519,971**	**1,873,795**	**382,408**	-
Total assets		**16,503,227**	**13,168,761**	**14,291,738**	**2,427,271**	**1,917,764**
EQUITY						
Share capital	20	19,000	19,000	19,000	19,000	19,000
Share premium	20(b)	1,374,993	1,374,993	1,374,993	1,374,993	1,374,993
Accumulated surplus	20(c)	4,637,669	6,489,678	7,408,855	455,819	501,026
Fair value reserves	20(d)	8,135	-	-	-	-
Deposit for shares	20(e)	503,603	-	-	503,603	-
Equity attributable to equity holders of the parent company		**6,543,400**	**7,883,671**	**8,802,848**	**2,353,415**	**1,895,019**
Non-controlling interest	20(d)	10	10	253,172	-	-
Total equity		**6,543,410**	**7,883,681**	**9,056,020**	**2,353,415**	**1,895,019**
LIABILITIES						
Non-current liabilities						
Borrowing	21	8,106,021	4,797,768	4,830,422	-	-
Total non current liabilities		8,106,021	4,797,768	4,830,422	-	-
Current liabilities						
Current tax liabilities	22(d)	154,895	6,745	6,745	6,745	6,745
Other Liablities	23	1,698,901	480,567	398,551	67,111	16,000
Total current liabilities		1,853,796	487,312	405,296	73,856	22,745
Total liabilities		9,959,817	5,285,080	5,235,718	73,856	22,745
Total equity and liabilities		**16,503,227**	**13,168,761**	**14,291,738**	**2,427,271**	**1,917,764**

These financial statements were approved by the Board of Directors on 18 May 2021 and signed on its behalf by the directors listed below:

Mr. Olutola Mobolurin
Chairman
FRC/2013/CISN/00000003804
18 May 2021

Mr. Olaide Agboola
Executive Director
FRC/2013/IODN/00000003519
18 May 2021

Ms. Oluseyi Sowale
Chief Financial Officer
FRC/2020/006/00000021622
18 May 2021

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements

4.4 Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

Group

In Thousands of Naira	Note	Share Capital	Share premium	Fair Value Reserves	Deposit for shares	Accumulated deficit	Non-controlling interest	Total Equity

For the year ended 31 December 2019

In Thousands of Naira	Note	Share Capital	Share premium	Capital reserve	Accumulated deficit	Non-controlling interest	Total Equity

The accompanying notes and significant accounting policies form an integral part of these financial statements purpleshop

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For the year ended 31 December 2020
Company

In Thousands of Naira	Note	Share Capital	Share premium	Deposit for shares	Accumulated deficit	Total Equity

For the period ended 31 December 2019

In Thousands of Naira	Note	Share Capital	Share premium	Capital reserve	Accumulated deficit	Total Equity

The accompanying notes and significant accounting policies form an integral part of these financial statements

4.5 Consolidated and Separate Statement of Cash Flows

For the year ended 31 December 2020

In Thousands of Naira	Notes	Group 2020	Group 2019	Company 2020	Company 2019

The accompanying notes and significant accounting policies form an integral part of these consolidated and separate financial statements

4.6 Notes to the Financial Statements

For the year ended 31 December

Reporting entity
Purple Real Estate Income Limited ("the Company"), (formerly known as Purple CRE SPV Limited) was incorporated as a private limited liability company in Nigeria on 16 April 2014. The change of the Company's name from Purple CRE SPV Limited to Purple Real Estate Income Limited was approved on 26 September 2019. The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiary (together referred to as "the Group")

Basis of preparation

(a) Statement of compliance
The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act, 2011 The IFRS accounting policies have been consistently applied to the period presented. Details of the Group's accounting policies are included in note 4. The consolidated financial statements were authorized for issue by the Board of Directors on 18 May 2021.

(b) Basis of measurement
These consolidated and separate financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date:
- Investment securities (Held-to-maturity financial assets) measured at amortised cost using the effective interest rate method
- Loans and advances customers measured, amortised cost using the effective interest rate method

(c) Functional and presentation currency
These consolidated and separate financial statements are presented in Naira, which is the Group's functional currency. Except where indicated, financial information presented in Nairs has been rounded to the nearest thousand.

(d) Use of estimates and judgments
In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions estimates are recognised prospectively.

(i) Judgments
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:
Note 4 (a)- consolidation-whether the group has de facto control over an investee
Note 4 (c))-commission revenue: whether the group acts as an agent in the transaction rather than as a principal,
Note 4 (p)-leases-determining whether an arrangement contains a lease and lease classification

(ii.) Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting into material adjustment as at the year ended 31 December 2020 is included in the following notes:
Note 4 (f(iii) - recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used
Note 4 (o) - recognition and measurement of provision and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

For the year ended 31 December

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different

levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Changes in accounting policies

A new of other standards are effective from 1 January 2020 but they do not have material impact on the Company's Financial Statements. They are:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 Definition of a business
- Amendments to IAS 1 and IAS & Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate Benchmark Reform

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

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

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement f financial position and not the amount or timing of recognition of any asset, liability, income 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. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

b. Amendments to IFRS 3 Reference to the Conceptual Framework.

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (pobashed together with the updated Conceptual Framework) at the same time or earlier.

For the year ended 31 December

c. Amendments to IFRS 10 and IAS 28
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an insignificant impact on the Group's consolidated financial statements in future periods should such transactions arise.

d. Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an insignificant impact on the Group's consolidated financial statements in future periods should such transactions arise. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities. Change in basis for determining cash flows: The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. This standard is not expected to have a significant impact on the financial statements of the Company.

For the year ended 31 December

f. COVID-19-Related Rent Concessions (Amendment to IFRS 16)
In response to the COVID-19 coronavirus pandemic, the International Accounting Standards Board (the Board) issued an amendments to IFRS 16 Leases to allow lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions. This standard is not expected to impact the Company significantly.

Significant accounting policies
Unless otherwise stated, the Company and its subsidiaries (together referred to as "the Group") have consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

(a) Basis of consolidation
(i) Business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, that is, when control is transferred to the Group. Consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred. The Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Other contingent consideration is measured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the investee entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control and if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g.those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases. The accounting policies of subsidiaries have been changed where necessary to align with the policies adopted by the Group. Losses applicable to the noncontrolling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Loss of control
A disposal arises where the group loses control of a subsidiary. Upon the loss of conrol, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale asset depending on the level of influence retained.

(iv) Transfer under common control
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or business are ultimately controlled by the same person or parties both before and after the combination, and that control is not transitory. The Group applied the book value accounting method by adding the assets and liabilities acquired. The difference between the fair value of the consideration paid and the book value of the net assets and liabilities is recognised in equity in retained earnings.

For the year ended 31 December

(v) Non-controlling interests
The Group measures non-controlling interest at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Adjustments to noncontrolling interest are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(vi) Associates and jointly controlled entities
The Group measures non-controlling interest at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Adjustments to noncontrolling interest are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

The group does not have investments in associates and jointly controlled entities

(vii) Transactions eliminated on consolidation
Intra-group balances and any unrealised gains or losses or incomes and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investee are eliminated against the investment to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated to the functional currency at exchange rates as at the reporting date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year using the rates prevalent at the beginning, adjusted for effective interest and payments during the year, and the amortised cost in the functional currency at the year end using the rates prevalent at the year end.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Foreign currency differences on non-monetary items are accounted for based on the classification of the underlying items. Foreign exchange gains and losses on equities (debt) classified as available-for-sale financial assets are recognised in the available-for-sale reserve in OCI (profit or loss) whereas the exchange differences on equities and debt that are classified as held at fair value through profit or loss are reported as part of the fair value gain in the statement of comprehensive income.

(c) Revenue
Revenue represents rental and other related income of the Group. It includes rental income invoiced to tenants for space usage and Value Added Tax. It also includes income from service charge and utilities, income from advert space rentals and income from car park. They are recognised on an accrual basis over the period for which the services are rendered, in accordance with the substance of the relevant agreements. Rental income from investment property is recognized as revenue on a straight -line basis over the lease term. Lease incentives granted are recognized as an integral part of the total revenue, over the term of the lease. Outstanding portions of the amounts received in advance are deferred until services have been rendered to the customer.

For the year ended 31 December

(d) Other income
Other income represents income generated from sources other than rental deposits and income directly related to the Group's operations.

(e) Other operating expenses
Expenses are decreases in economic benefits during the accounting period in the form of outflows, depletion of assets or incurrence of liabilities thatresult in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized on an accrual bases regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost. Assets are recorded at the amount of cash or cash equivalents paid or their fair value of consideration given. Liabilities are recorded at the amount of proceeds received in exchange for the obligation. Only the portion of cost of a previous period that is related to the income earned during the reporting period is recognized as an expense. Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statement as assets. Expense incurred by the Group during the year under review are depreciation expenses, audit fees, training, professional fees, insurance cost, repairs and maintenance etc.

(f) Taxation
Income tax expense: Income tax expense comprises current tax (company income tax, tertiary education tax National Information Technology Development Agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(i) Current tax
Current tax is the expected tax payable on taxable income for the year determined in accordance with Companies Income Tax Act (CITA) using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:
- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year)

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

(ii) Minimum tax
Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.25% of the Company's gross turnover less franked investment income.

(iii) Education tax
This represents 2% of assessable profit in accordance with the provision of the Education Tax (Amendment) Decree No 40 of 1998.

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(iv) Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting values and their corresponding tax values. A deferred tax is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Dividends
Dividends are recognised as liability and deduction in equity in the period they are declared. Dividend paid is recognised gross of withholding tax (WHT) with the corresponding WHT remitted to tax authorities.

(h) Share capital and share premium
The Group has two classes of shares, ordinary shares and preference shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by S.120(3) of the Companies and Allied Matters Act of Nigeria. All ordinary shares rank equally with regard to the Group's residual assets. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.
The holders of preference shares are entitled to receive dividend as declared from time to time before the ordinary shareholders. The shares rank higher than the ordinary shares with regard to the Group's residual assets. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(i) Related parties
Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Group are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(j) Financial instruments
Related parties include the holding company and other group entities. Directors, their close family members and any employee who are able to exert a significant influence on the operating policies of the Group are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(i) Recognition and initial measurement
The Group initially recognises placements and other investments on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

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(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.
A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
– the stated policies and objectives for the portfolio and the operation of those policies in practice.
– how the performance of the portfolio is evaluated and reported to the Group's management;
– how managers of the business are compensated.
– the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
Assessment of whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and
for other basic lending risks and costs as well as profit margin.
In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

For the year ended 31 December

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of
(i) the consideration received (including any new asset obtained less any new liability assumed) and
(ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

If such a modification is carried out because of financial difficulties of the borrower/counterparty, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Modifications of financial assets and financial liabilities
Financial assets
If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:
– fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
– other fees are included in profit or loss as part of the gain or loss on derecognition.
If such a modification is carried out because of financial difficulties of the borrower/counterparty, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities
The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability. If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(v) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a Group of similar transactions such as in the Group's trading activity.

For the year ended 31 December

(vi) Fair value measurement
Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

(vii) Impairment
The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:
– financial assets that are debt instruments;
– Cash equivalent
– Trade and other financial assets

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:
– debt investment securities that are determined to have low credit risk at the reporting date; and
– other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

This Lifetime ECL is measured using the simplified approach. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments. The cost of an item of investment property is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally 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. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

For the year ended 31 December

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as '12 months ECL financial instruments'. Life-time ECL are theECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Lifetime ECL not-credit financial instruments'.

Measurement of ECL
ECL are a probability-weighted estimate of credit losses. They are measured as follows:
– financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive) and
– financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated
future cash flows.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Lifetime ECL credit impaired financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or past due event;
– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for ECL are presented in the statement of financial position as financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Write off
Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally 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. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

(k) Investment property

(i) Recognition and measurement
The cost of an item of investment property is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Investment property is initially measured at cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. Investment property under construction is included and disclosed as part of Investment property. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs in the qualifying assets.

For the year ended 31 December

Subsequent to initial recognition, investment properties are re-measured at fair value, which reflects market conditions at the reporting date for disclosure in the financial statement. Gains or losses arising from changes in the fair value of investment properties are not included in the statement of profit or loss in the period in which they arise.

(ii) Subsequent costs
The cost of replacing a part of an investment property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of investment property are recognised in profit or loss as incurred.

(iii) Derecognition
The carrying amount of an item of investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and loss on disposal of an item of investment property are determined by comparing the proceeds from disposal with the carrying amount of investment property and are recognised net within other income in profit or loss on the statement of comprehensive income.

(iv) Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of investment property which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. This is based on the fact that it is reasonably certain that the lease upon expiration would be renewed and the substance of the lease is that the Group has ownership of the land, not a right to use the land for a predefined period. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.
The estimated useful lives for the current and comparative periods is as follows:

Land	Not depreciated
Buildings	50%

(v) Borrowing cost
Borrowing costs are recognized, as an expense, in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the entity and that the costs can be measured reliably. Borrowing costs that are capitalised as part of investment property are interest expense incurred on borrowings obtained specifically for the construction of the investment property.

Capitalisation of borrowing cost commences when expenditure for the investment property is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the investment property for its intended use are in progress. Capitalisation ceases when the activities necessary to prepare the investment property for its intended use are substantially complete.

For the year ended 31 December

(l) Property and equipment

(i) Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:
- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located and;
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and any gain or losses on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of profit or loss.

(ii) Subsequent costs
The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is recognised in the statement of profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). A non-current asset or disposal group is not depreciated while it is classified as held for sale
The estimated useful lives for the current and comparative period are as follows:

Plant and Machinery	3 years
Computer and office equipment	4 years
Motor vehicle	4 years
Furniture and fittings	5 years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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(iv) Work in progress
Capital work in progress, which represents property and equipment under construction, is not depreciated. Upon completion, the cost attributable to each asset is transferred to the relevant asset category.

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

(vi) Impairment
Non-financial assets
The carrying amount of the Group's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash- generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 had been recognised.

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(m) Provisions and contingent liabilities

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(ii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.
If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(n) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
-the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substution right, then the asset is not identified;
-the Company has the right to obtain substantially all of the economic benefits from use of the asset thoughout the period of use; and
-the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
-the Company has the right to operate the asset; or
-the Company designed the asset in a way that predetermines how and for what purpose it will be used

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.
At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payment reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset, subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

For the year ended 31 December

(ii) Leased assets
Assets held by the Group under leases for which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Asset held under other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

(iii) Lease payment
Payment made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(o) Interest income and finance cost
i) Effective interest rate
Interest income and expense are recognised in profit or loss using the effective interest method.
The ‘effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
–the gross carrying amount of the financial asset; or
–the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

ii) Amortised cost and gross carrying amount
The ‘amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The ‘gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

iii) Calculation of interest income
The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

iv) Presentation
Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes interest on financial assets and financial liabilities measured at amortised cost. Other interest income presented in the statement of profit or loss and OCI includes interest income on balances with banks.

For the year ended 31 December

(p) Voluntary change in accounting policy
Changes in accounting policy from the adoption of IAS 40 fair value model on investment property have been applied retrospectively. As the accounting policy on investment property for Maryland Mall Limited was changed, certain balances on the statement of profit or loss and financial position have been restated as follows:
As the accounting policy on investment property was changed, certain balances on the statement of profit or loss and financial position have been restated as follows:

(I) Operating Expenses reduced by N59.439 million to derecognise the depreciation earlier charged on the investment property
in 2019.

(II) Fair value changes of N828.78 million in the statement of profit or loss to recognise the 2019 fair value loss on the
investment property.

(III) Investment property as at 31 December 2019 increased by N7.872 billion to recognise the accumulated fair value changes in the asset from 2018 financial year. Retained earnings of 2019 financial year was increased by the corresponding amount.

(IV Investment property increased by N8.642 billion. This amount represents the difference between the fair value of investment property at 01 January 2019 (N12.194bn) and the carrying amount (cost less accumulated depreciation i.e N3.552bn). the corresponding balance was passed against the opening retained earnings in line with IAS 8.

The table below presents the summary of quantitative impacts of prior period restatements and changes in accounting policies on the results of the Company for the year ended 31 December 2020.

Statement of profit or loss and OCI

31 Dec 2019 In thousands of Naira	As previously reported	Prior year adjustments	As restated
Revenue	1,028,628	-	1,028,628
Other Income	1,029	-	1,029
Fair value loss on investment properties (see II above)	-	(828,780)	(828,780)
Finance Cost	(568,054)	-	(568,054)
Operating Expenses (see I above)	(883,176)	59,438	(823,738)
Impairment write-back	18,576	-	18,576
Taxation	-	-	-
Loss for the year after taxation	**(402,997)**	**(769,342)**	**(1,172,339)**

For the year ended 31 December
Statement of financial position

31 December 2019 In thousands of Naira	As previously reported	Prior year adjustments	As restated
Investment property (See III above)	3,617,162	7,872,838	11,490,000
Property and equipment	155,190	-	155,190
Intangible assets	3,600	-	3,600
Investment in subsidiary	-	-	-
Total non-current assets	3,775,952	7,872,838	11,648,790
Total current assets	1,519,971	-	1,519,971
Total assets	**5,295,923**	**7,872,838**	**13,168,761**
Share capital	19,000	-	19,000
Share premium	1,374,993	-	1,374,993
Accumulated profit/(deficit) (See III above)	(1,383,160)	7,872,838	6,489,678
Non-controlling interest	10	-	10
Total equity	10,843	7,872,838	7,883,681
Total liabilities	5,285,080	-	5,285,080
Total equity and liabilities	**5,295,923**	**7,872,838**	**13,168,761**

Statement of financial position

1 January 2019 In thousands of Naira	As previously reported	Prior year adjustments	As restated
Investment property (see IV above)	3,552,067	8,642,179	12,194,246
Property and equipment	220,097	-	220,097
Intangible assets	3,600	-	3,600
Investment in subsidiary	-	-	-
Total non-current assets	3,775,764	8,642,179	12,417,943
Total current assets	1,873,795	-	1,873,795
Total assets	**5,649,559**	**8,642,179**	**14,291,738**
Share capital	19,000	-	19,000
Share premium	1,374,993	-	1,374,993
Accumulated profit/(deficit) (see IV above)	(1,233,324)	8,642,179	7,408,855
Non-controlling interest	253,172	-	253,172
Total equity	413,841	8,642,179	9,056,020
Total liabilities	5,235,718	-	5,235,718
Total equity and liabilities	**5,649,559**	**8,642,179**	**14,291,738**

Notes on voluntary change in accounting policy
Maryland Mall Limited has changed its accounting policies on investment property. The management of the company believes that carrying the investment property at fair value results in the financial statements providing a more relevant and reliable information about the company's financial position. These changes in the accounting policy on investment property have been applied retrospectively. (See adjustments above)

For the year ended 31 December

5.) Revenue

In thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Income from Rent	420,237	503,504	-	-
Income from service charge and utilities	241,469	237,271	-	-
Income from advert space rentals	128,057	240,872	-	-
Income from car park	18,845	46,981	-	-
	808,608	1,028,628	-	-

6.) Other Income

(a) In thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Interest Income - Placement	3,754	1,029	-	-
Dividend income	-	-	8,740	-
Modification gain on financial liabilities	131,811	-	-	-
	135,565	1,029	8,740	-

(b) In thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Fair value loss on investment properties (see note 11(a))	(953,461)	(828,780)	-	-

7.) Finance cost

In thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Interest expense on borrowings	760,930	568,054	-	-
Exchange rate loss of borrowings	392,886	-	-	-
	1,153,816	568,054	-	-

8.) Personnel expenses

In thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Salaries	75,958	-	-	-
Allowances and other staff cost	81,798	-	-	-
	157,756	-	-	-

(i) This amount mainly represent expenses on staff of Purple Real Estate Development Company Limited (PREDCO). PREDCO seconds staff to other companies within the Group and received outsourced service fee. The Group has a share service agreement which forms the basis of sharing the expenses on staff with other Companies within the Group. The amount of personnel cost for the year ended 31 December 2020 amounted to N157.8m (2019: Nil)

For the year ended 31 December

(ii) The number of full time persons employed by the Group as at year end was as follows:

Number	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Categories				
Management	9	-	-	-
Senior staff	12	-	-	-
Junior staff	9	-	-	-
	30	-	-	-

(iii) Employees of the Company, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (including pension contribution) in the following ranges:

Number	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Below N1,000,000	9	-	-	-
N1,000,001 - N2,000,000	5	-	-	-
N2,000,001 - N3,000,000	3	-	-	-
Above N3,000,000	13	-	-	-
	30	-	-	-

9.) Operating Expenses

In Thousands of Naira	Group 31-Dec-20	Restated Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Depreciation of property and equipment	103,031	165,023	-	-
Diesel expense	34,884	38,993	-	-
Advertisement and Public Relation	48,683	61,015	-	-
Cleaning expenses	19,590	20,023	-	-
Entertainment	202	778	-	-
Courier and postage	408	-	-	-
Trademark and Branding	679	700	-	-
Outsourced services	7,336	199,100	-	-
Bank charges	2,186	4,233	291	-
Business travel and accommodation	2,040	569	-	-
Business Premises and Developmental Fees	845	1,774	-	-
Office expenses	1,993	-	-	-
Printing and stationery	2,368	1,600	-	-
Transport and miscellaneous	4,389	600	-	-
Gift and Souvenir	7,227	3,054	-	-
Bad debt	1,750	12,624	-	-
WHT expenses	6,331	135	568	-
VAT Expenses	360	-	-	-
Utility expenses	122,538	127,058	-	-
Fumigation expenses	600	806	-	-
Telephone expenses	12,751	400	-	-
Other expenses (see note (i) below)	227,473	185,253	5,036	3,500
	607,664	823,738	5,895	3,500

For the year ended 31 December

(i) Analysis of other expenses are as follows:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Secretarial Fees	-	7,500	-	-
Professional Expenses	57,889	85,200	35	-
Other management fees	67,360	-	-	-
Repairs and maintenance cost	32,130	31,732	-	-
Management/Operational Fees	1,604	6,180	-	-
Security Expenses	15,074	20,970	-	-
Insurance cost	12,304	11,989	-	-
Pre-incorporation expenses	9,402	-	-	-
Subscriptions, Media and Rates	10,048	7,826	-	-
Auditors' remuneration	15,600	7,300	4,000	3,500
Directors Fees (See note 9(ii) below)	3,983	4,215	1,000	-
Vehicles expenses	2,079	2,340	-	-
	227,473	185,252	5,035	3,500

(ii) Directors' remuneration

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Fees and sitting allowances	3,983	4,215	-	-
Fees disclosed above include amounts paid to:				
The chairman	1,500	1,500	-	-
The highest paid director	1500	1,500	-	-

10.) Impairment loss/(recoverable)

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Cash and cash equivalents	(319)	47	-	-
Reversal of impairment on Plant and Machinery	-	(32,393)	-	-
Impairment of Intangible assets	3,600	-	-	-
Account receivables	19,204	(14,357)	-	-
WHT receivables	25,260	-	-	-
Other assets (See note (i) below)	(111,440)	28,127	129,798	-
	(63,695)	(18,576)	129,798	-

(i) Analysis of impairment of other assets are as follows:

In Thousands of Naira Impairment/(writeback)	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Bishop's gate receivable	(3,131)	-	-	-
Receivables from Purple Retail Limited	2,615	28,127	104,852	-
Lekki Retailtanment Limited	-	-	24,946	-
Purple Capital Partners Limited	(110,924)	-	-	-
	(111,440)	28,127	129,798	-

11.) Investment property

Group

(a) Investment property comprises the land and building of Maryland Shopping Mall and the Multipurpose Mall under construction at Lekki Retailtainment Limited. As at period end, the Company's investment property was recognised at fair value. All gains or losses are unrealised. Changes in fair values are recognised in profit or loss account and included in 'fair value changes in investment property. The Investment propoerties under construction was however carried at cost as the fair value cannot be reasonably determined as at 31 December 2020

The movement on the account during the year was as follows:

31 December 2020 In Thousands of Naira	Land	Building	Building WIP	Total
Balance as at 01 January (as restated)	2,347,785	9,057,215	85,000	11,490,000
Additions	992,924	6,461	932,860	1,932,245
Change in fair value (see note 6(b))	-	(953,461)	-	(953,461)
Balance as at 31 December	**3,340,709**	**8,110,215**	**1,017,860**	**12,468,784**

31 December 2019 In Thousands of Naira	Land	Building	Building WIP	Total
Balance as at 01 January	727,116	2,824,951	-	3,552,067
Restatement (see note 4(p) (iv))	1,620,669	6,936,510	-	8,557,179
Restated Balance as at 01 January	**2,347,785**	**9,761,461**	-	**12,194,246**
Additions	-	39,534	85,000	124,534
Change in fair value (see note 6(b))	-	(828,780)	-	(828,780)
Balance as at 31 December	**2,347,785**	**9,057,215**	**85,000**	**11,490,000**

01 January 2019	Land	Building	Building WIP	Total
Balance as at 31 December 2018	727,116	2,824,951	-	3,552,067
Change in fair value	1,620,669	7,021,510	-	8,642,179
Balance as at 01 January 2019	**2,347,785**	**9,846,461**	-	**12,194,246**

(b) Reconciliation of Carrying Amounts

In Thousands of Naira	31 Dec 2020	Restated 31 Dec 2019
Restated balance at the beginning of the year	11,490,000	12,194,246
Additions	1,932,245	124,534
Fair value gains /(loss)	(953,461)	(828,780)
	12,468,784	11,490,000

(c) Measurement of fair values

Fair value hierarchy of the investment properties are as follows:

In Thousands of Naira	31 Dec 2020	Restated 31 Dec 2019
Level 1	-	-
Level 2	-	-
Level 3	12,468,784	11,490,000
	12,468,784	11,490,000

(d) The Group obtained a debt facility from Vantage Capital secured by a legal mortgage on the Investment Property of the Group (See note 19 (a))

(e) Rental income rcognised in profit or loss:

In Thousands of Naira	31 Dec 2020	31 Dec 2019
Rental income (see note 5)	420,237	503,504
	420,237	**503,504**

(f) The investment property as at 31 December 2020, was valued on 26 January 2021 by Northcourt Valuers Ltd, a registered firm of estate surveyors and valuers in Nigeria. The firm has no FRC number because it is a partnership. The fair value determined by the valuer is supported by market evidence and represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion, in accordance with the Nigerian Valuation Standards (2017) on the basis of market value. Valuations are performed on an annual basis and disclosed in the financial statements at every reporting period.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value based on the use of significant unobservable inputs in the valuation technique used. The following table shows the valuation technique used in measuring the fair value of investment property as at 31 December 2020, as well as the significant unobservable inputs used.

Investment properties Location	Valuation (=N='000)	Valuation technique	Significant unobservable input
350/360, Ikorodu road, Maryland. Lagos	12,468,784	Market Value Method: This method of valuation was used in arriving at the fair value because the subject property is being used for commercial purposes with evidence of annual rental income. Income receivable from the advertising boards have been included in the valuation and capitalised at the appropriate rate.	- Occupancy rate of 95% - The market rent was estimated at N1.04 billion ($2,747,368) - In arriving at the net annual income, the parameters in the tenancy schedule were considered such as Square metres, Annual rent in both Naira and USD - Exchange rate was based on the tenancy schedule. - Initial yield of 8.00%. -Exit yield of 10% -Rental growth rate of 2.5% -Equivalent yield of 11%

12 Property and equipment Group

31 December 2020 In Thousands of Naira	Furniture and fittings	Computer and office equipment	Motor vehicle	Plant and Machinery	Total
Cost					
Balance at 1 January 2020	81,192	457,160	7,200	190,054	735,606
Assets acquired in business combination	2,393	6,642	15,000	2,044	26,079
Additions	16,894	15,771	-	-	32,665
Balance at 31 December 2020	100,479	479,573	22,200	192,098	794,350
Accumulated depreciation					
Balance at 1 January 2020	8,637	374,586	7,139	190,054	580,416
Accumulated depreciation acquired	968	3,292	14,375	1,941	20,576
Charge for the year	18,324	83,919	686	102	103,031
Balance at 31 December 2020	27,929	461,797	22,200	192,097	704,023
Carrying amounts					
At 31 December 2020	72,550	17,776	(0)	1	90,327
At 31 December 2019	**72,555**	**82,574**	**61**	**-**	**155,190**

31 December 2020 In Thousands of Naira	Furniture and fittings	Computer and office equipment	Motor vehicle	Plant and Machinery	Total
Cost	15,247	455,382	7,200	190,054	667,883
Balance at 1 January 2019	65,945	1,778	-	-	67,723
Additions					
Balance at 31 December 2019	**81,192**	**457,160**	**7,200**	**190,054**	**735,606**
Depreciation					
Balance at 1 January 2019	5,588	260,741	5,339	176,118	447,786
Charge for the year	3,049	113,845	1,800	46,329	165,023
Reversal of Impairment Provision	-	-	-	(32,393)	(32,393)
Balance at 31 December 2019	**8,637**	**374,586**	**7,139**	**190,054**	**580,416**
Carrying amounts					
At 31 December 2019	72,555	82,574	61	-	155,190
Balance at 31 December 2018	**9,659**	**194,641**	**1,861**	**13,936**	**220,097**

(i) Reversals represent reduction in the cost of the assets due to the write off of excess provision of WHT previously capitalized as part of the asset in prior periods.

- The Group had no capital commitments as at the date of the statement of financial position (2019: Nil).
- There were no impairment losses on any class of property and equipment during the year (2019: Nil).
- All items of PPE are non current.
- There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2019: Nil)
- There was no item of property and equipment that has been pledged as security for borrowings as at year end (2019: Nil)

13.) Intangible assets

Intangible assets include development costs. Development costs represents capitalised expenses on the development of a software program for better oversight of the financial reporting process and operational activities of the group.

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Software development cost	3,600	3,600	3,600	-	-
Additions (WIP)	21,733	-	-	-	-
Software acquired in business combination	647	-	-	-	-
Impairment of software development cost	(3,600)	-	-	-	-
	22,380	**3,600**	**3,600**	**-**	**-**

14.) Investment in subsidiary

(a) Company

In Thousands of Naira	Ownership Interest	31-Dec-20	31-Dec-19
Maryland Mall Limited	100.00%	1,916,764	1,916,764
Lekki Retailtainment Limited	100.00%	1,000	1,000
Purple Real Estate Development Company Limited (See (i) below)	100.00%	90,486	-
Purple Proptech Limited (See (ii) below)	100.00%	36,613	-
Total		2,044,863	1,917,764

(i) In the course of the year, Purple Retail Managers Limited (a private company incorporated in Mauritius) transferred its ordinary shares held in Purple Real Estate Development Company Limited (PREDCO) to Purple Estate Income Limited as at year end. The share transfer between Purple Retail Limited and Purple Real Estate Income Limited, in their capacity as owners is accounted for in equity. See Note 20(c).

(ii) During the year, the Company invested in another subsidiary, Purple Proptech Limited. Purple Proptech Limited is 100% owned by Purple Real Estate Income Limited and was incorporated on 14 October 2020 with a total nominal share capital of 1,000,000 divided into 1,000,000 ordinary shares of N1 each. The principal activities of the company includes carrying on activities relating to the provision of electronic commerce services Vendors; selling, transporting, promoting, marketing, supplying, and dealing in any manner, in all types of goods produced or offered for sale by the vendors. The company is yet to commence full operation as at 31 December 2020.

The movement of investment in subsidiary is as analysed below:

In Thousands of Naira	Company 31-Dec-20	Company 31-Dec-19
Balance, beginning of the year	1 ,917,764	1 ,360,416
Additions - PREDCO (See Note 20(c))	9 0,486	5 56,348
Additions - Purple Proptech Limited (See 13(a)(ii) above)	3 6,613	1,000
Balance, end of the year	**2 ,044,863**	**1,917,764**

(b) Condensed results of consolidated entities

31 December 2020 In Thousands of Naira	Group	Elimination entries	Purple Real Estate Income Limited (Parent)	Lekki Retailtainment Limited (Subsidiary)	Maryland Mall Limited (subsidiary)	PREDCO Limited (Subsidiary)	Purple Proptech Limited (subsidiary)
Condensed statement of profit or loss							-
Total operating income	944,173	(429,197)	8,740	2,214	9 40,515	421,901	-
Fair value loss on investment	(953,461)	-	-	-	(953,461)	-	-
Finance cost	(1,153,816)	-	-	-	(1,138,007)	(15,809)	-
Operating expenses	(756,018)	155,658	(5,895)	(70,544)	(632,654)	(202,583)	-
Impairment loss	63,695	135,588	(129,798)	-	7 5,956	(18,051)	-
Loss before taxation	(1,855,427)	(137,951)	(126,953)	(68,330)	(1,707,651)	185,458	-
Taxation	(68,926)	-	-	-	(2,022)	(66,904)	-
Loss for the year after taxation	**(1,924,353)**	**(137,951)**	**(126,953)**	**(68,330)**	**(1,709,673)**	**118,554**	**-**

In Thousands of Naira	Group	Elimination entries	Purple Real Estate Income Limited (Parent)	Lekki Retailtainment Limited (Subsidiary)	Maryland Mall Limited (subsidiary)	PREDCO Limited (Subsidiary)	Purple Proptech Limited (subsidiary)
Condensed statement of financial position Assets							
Investment property	1 2,468,784	(170,062)	-	2,180,846	10,458,000	-	-
Property and equipment	90,327	-	-	-	8 1,887	2,967	5,473
Intangible assets	22,380	-	-	-	-	647	21,733
Investment in subsidiary	-	(2,044,863)	2,044,863	-	-	-	-
Trading properties	1,192,425	(115,642)	-	1,308,067	-	-	-
Account receivable	167,985	-	-	-	139,120	28,865	-
Other asset	1,617,679	(419,430)	337,591	-	1 ,184,744	514,774	-
Investment securities	150,929	-	42,794	-	-	108,135	-
Cash and cash equivalents	792,718	-	2,023	270,388	3 58,598	161,704	5
Total Assets	**16,503,227**	**(2,749,997)**	**2 ,427,271**	**3,759,301**	**12,222,349**	**817,092**	**27,211**
Equity and Liabilities							
Ordinary Share capital	19,000	(13,000)	9,000	1,000	10,000	1,000	1,000
Preference Share capital	-	(10)	-	-	10	-	-
Share premium	1,374,993	(1,942,377)	1,374,993	-	1 ,906,764	-	35,613
Accumulated deficit	4,637,669	(231,378)	455,819	(68,465)	4 ,270,886	220,209	(9,402)
Fair value reserves	8,135	-	-	-	-	8,135	-
Deposit for shares	503,603	-	503,603	-	-	-	-
Non-controlling interest	10	10	-	-	-	-	-
Borrowing	8,106,021	-	-	2,188,960	5 ,601,251	315,810	-
Current tax liabilities	154,895	-	6,745	-	2,022	146,128	-
Other Liabilities	1,698,901	(563,242)	67,111	1,637,806	431,416	125,810	-
Total equity and liabilities	**16,503,227**	**(2,749,997)**	**2 ,427,271**	**3 ,759,301**	**12,222,349**	**817,092**	**27,211**

For the year ended 31 December 2020
Condensed results of consolidated entities

31 December 2020 In Thousands of Naira	Group	Elimination entries	Purple Real Estate Income Limited (Parent)	Lekki Retailtainment Limited (Subsidiary)	Maryland Mall Limited (subsidiary)	PREDCO Limited (Subsidiary)	Purple Proptech Limited (subsidiary)
Condensed statement of profit or loss							-
Total operating income	1,029,657	-	-	-	1 ,029,657	-	-
Finance cost	(568,054)	-	-	-	(568,054)	-	-
Operating expenses	(1,652,518)	-	(3,500)	(135)	(1,648,883)	-	-
Impairment loss	1 8,576	8,228	-	-	1 0,348	-	-
Loss before taxation	(1,172,339)	8,228	(3,500)	(135)	(1,176,932)	-	-
Taxation	-	-	-	-	-	-	-
Loss for the year after taxation	(1,172,339)	8,228	(3,500)	(135)	(1,176,932)	-	-

In Thousands of Naira	Group	Elimination entries	Purple Real Estate Income Limited (Parent)	Lekki Retailtainment Limited (Subsidiary)	Maryland Mall Limited (subsidiary)	PREDCO Limited (Subsidiary)	Purple Proptech Limited (subsidiary)
Condensed statement of financial position as restated Assets							
Investment property	1 1,490,000	-	-	85,000	11,405,000	-	-
Property and equipment	155,190	-	-	-	1 55,190	-	-
Intangible assets	3,600	-	-	-	3 ,600	-	-
Investment in subsidiary	-	(1,917,764)	1,917,764	-	-	-	-
Account receivable	149,260	(1,000)	-	21,010	1 29,250	-	-
Other asset	1,362,664	(44,416)	-	-	1 ,407,080	-	-
Prepayment	5,500	-	-	-	5 ,500	-	-
Cash and cash equivalents	2,547	-	-	-	2 ,547	-	-
Total Assets	16,503,227	(2,749,997)	2 ,427,271	3,759,301	12,222,349	817,092	27,211
Equity and Liabilities							
Ordinary Share capital	19,000	(11,000)	19,000	1,000	10,000	-	-
Preference Share capital	-	(10)	-	-	10	-	-
Share premium	1,374,993	(1,906,764)	1 ,374,993	-	1 ,906,764	-	-
Accumulated deficit	6,489,678	8,228	5 01,026	(135)	5 ,980,559	-	-
Non-controlling interest	10	10	-	-	-	-	-
Borrowing	4 ,797,768	-	-	-	4 ,797,768	-	-
Current tax liabilities	6,745	-	6,745	-	-	-	-
Other Liabilities	480,567	(53,644)	16,000	105,145	413,066	-	-
Total equity and liabilities	1 3,168,761	(1,963,180)	1 ,917,764	106,010	13,108,167	-	-

15.) Trading properties under development

Trading properties under development represents the cost incurred on properties earmarked for sales in respect of Lekki Retailtainment Limited's multipurpose
development project as at 31 December 2020. The cost is split between land and building as follows:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Land	675,188	-	-	-	-
Building (work-in-progress)	517,237	-	-	-	-
	1 ,192,425	-	-	-	-

16.) Account receivable

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Financial assets:					
Receivables on service charge and utilities	57,924	21,401	41,975	-	-
Receivables on customers lease rental	77,276	27,692	61,748	-	-
Account/Fee Receivable	15,010	35,020	55,010	-	-
Receivables on adverts	13,266	45,039	38,468	-	-
Receivable acquired on business combination	69,457	-	-	-	-
	69,457	129,152	197,202	-	-
Impairment acquired on business combination	(40,592)	-	-	-	-
Impairment allowance on financial assets (See note 14(b))	(24,356)	(5,152)	(38,852)	-	-
Total - financial assets	167,985	124,000	158,350	-	-
Non-financial assets:					
WHT Receivables	25,260	25,260	25,260	-	-
Impairment allowance on non financial assets	(25,260)	-	-	-	-
Total - Non financial assets	-	25,260	25,260	-	-
Account receivables (financial & non financial assets)	167,985	149,260	183,610	-	-

(a) Movement in impairment allowance on account receivables

31-Dec-20

	12 months ECL	Lifetime ECL	Total
Balance at 1 January	1,034	4,118	5,152
Impairment loss on financial assets (see note 10)	-	19,204	19,204
	1,034	23,322	24,356
Impairment loss on non-financial assets (see note 10)	-	25,260	5,260
Balance at 31 December	1,034	48,582	49,616

31-Dec-19

	12 months ECL	Lifetime ECL	Total
Balance at 1 January	1,034	37,818	38,852
Total impairment loss recognised in P/L (see note 9(i)	-	(33,700)	(33,700)
Balance at 31 December	1,034	4,118	5,152

31-Dec-18

	12 months ECL	Lifetime ECL	Total
Balance at 1 January	-	23,207	23,207
Total impairment loss recognised in P/L (see note 9(i))	1,034	14,611	15,645
Balance at 31 December	1,034	37,818	38,852

17.) Other asset

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Due from Purple Capital Partners (see(i) below)	483,750	478,500	478,500	-	-
Due from Purple Retail Limited (see(i) below)	1,126,467	1,263,467	1,497,267	370,500	-
Due from Lekki Retailtainment Limited	-	-	-	88,149	-
Due from Purple Real Estate Development Limited	-	-	-	8,740	-
Due from Purple Capital Holdings Limited	424,500	-	-	-	-
Prepaid assets	15,479	5,500	7,142	-	-
	2,050,196	1,747,467	1,982,909	467,389	-
Impairment allowance on other receivables (see (ii) below)	(432,517)	(379,303)	(351,176)	(129,798)	-
	1,617,679	1,368,164	1,631,733	337,591	-

(i) Amount represents receivables relating to the non-interest bearing facility granted to sister company - Purple Capital Partners and Parent Company - Purple Retail Limited.

(ii) The table below shows the movement in impairment allowance

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Opening Balance	379,303	351,176	-	-	-
Impairment acquired on business combination	164,654	-	-	-	-
Impairment (write-back)/charge (see note 10(i))	(111,440)	28,127	351,176	129,798	-
	432,517	379,303	351,176	129,798	-

18.) Investment securities

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Managed funds (see (i) below)	108,135	-	-	-	-
Investment in unquoted equities - V8 capital partners Limited	42,794	-	-	42,794	-
		-			-
	150,929	-		42,794	

(i) Managed funds represents funds deposited with Axa Mansard to be managed and generate investment income. In the course of the year, Purple Real Estate Development Company Limited deposited N100million with Axa Mansard. Some of the investments were invested in money market placement while the others were invested in quoted equities and measured at fair value. The fair calue of the investment as at 31 December 2020 amounted to N108.1million. See breakdown of managed funds below:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Axa Mansard (discretionary)	100,000	-	-	-	-
Fair value gains recognised in OCI (see note (20(d))	8,135	-	-	-	-
	108,135			-	-

19.) Cash and cash equivalents

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Cash in hand	151	-	-	-	-
Balances with banks	25,473	2,799	8,357	2,023	-
Placements	353,967	67	-	-	-
Money market funds	413,127	-	50,367	-	-
Cash and cash equivalent for cash flow statement	792,718	2,866	58,724	2,023	-
Impairment allowance on cash equivalents	-	(319)	(272)	-	-
Net cash equivalents	792,718	2,547	58,452	2,023	-

Investments in Money market funds are made for varying periods of between one month and three months depending on the immediate cash requirements of the Group. The carrying amounts disclosed above reasonably approximate the fair value at the reporting date.

For the year ended 31 December 2020

(b) Movement in impairment allowance on cash equivalents

	12 months ECL Allowance		
	31-Dec-20	31-Dec-19	1-Jan-19
Balance at 1 January	319	272	40
Net measurement of loss allowance (see note 9)	(319)	47	232
Balance at 31 December	-	319	272

20 Share capital and share premium

(b) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Group. The authorised ordinary shares amounts to 19,000,000 ordinary shares of N1 each. Amounts in excess of N1 per share is recognised in share premium as at 31 December 2020.

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Authorised:					
19,000,000 ordinary shares of N1.00 each	19,000	19,000	19,000	19,000	19,000
Issued and fully-paid:					
19,000,000 ordinary shares of N1.00 each	19,000	19,000	19,000	19,000	19,000

(b) Share premium

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Balance, beginning of the year	1,374,993	1,374,993	1,374,993	1,374,993	1,374,993
Balance, end of the year	1,374,993	1,374,993	1,374,993	1,374,993	1,374,993

(b) Accumulated deficit

		Restated	Restated		
In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Restated Restated	6,489,678	7,408,855	(627,266)	501,026	(51,822)
Prior year adjustment (see note 4(p))	-	-	8,642,179	-	-
Adjustment on initial application of IFRS 9	-	-	(531,989)	-	-
Retained loss for the year	(1,933,755)	(1,172,339)	(105,023)	(126,953)	(3,500)
Transactions between owners of subsidiary recognised directly in equity (See Note 14(a))	90,486	-	-	90,486	556,348
Dividend declared from retained earnings	(8,740)	-	-	(8,740)	-
Loss for the year attributable to and transferred to NCI (see (d) below)	-	75,374	30,954	-	-
Transfer of non-controlling interest to retained eanings	-	177,788	-	-	-
	4,637,669	6,489,678	7,408,855	455,819	501,026

Accumulated deficit represents undistributed losses attributable to shareholders

(b) Fair value reserves

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Balance beginning of year	-	-	-	-	-
Fair value gains on managed funds (see note (18(i))	8,135	-	-	-	-
Balance end of year	8,135	-	-	-	-

(e) Deposit for shares

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Balance beginning of year	-	-	-	-	-
Deposit for shares	503,603	-	-	503,603	-
Balance end of year	503,603	-	-	503,603	-

(f) Non-controlling interest

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Balance, beginning of the year	10	253,172	284,127	-	-
Loss during the year attributable to non-controlling	-	(75,374)	(30,955)	-	-
interest	-	(177,788)	-	-	-
Transfer of non-controlling interest to equity	-	10	253,172	-	

21 Borrowing

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Vantage Capital Loan (see note (a) below)	,601,251	4,797,768	4,830,422	-	-
Lucid/Astra (see note (a) below)	1,423,961	-	-	-	-
CitiHomes Finance Company (see note (b) below)	382,500	-	-	-	-
CardinalStone Partners (see note (c) below)	382,500	-	-	-	-
Lucid/Astra (Acquired on business combination)	315,809	-	-	-	-
	8,106,021	4,797,768	4,830,422	-	-

(a) The amount represents the amortised cost of the $12.5 million loan facility issued by Vantage Capital through Purple Retail Limited ("the Lenders") to Maryland Mall ("the borrower") during the year with an effective date of 2 November 2017 and maturity date of 2 November 2022. Interest on the debt is at 11.5% per annum, half the interest amount is payable for the first 6 months and afterwards, the full payment is payable quarterly until maturity. The principal is repayable quarterly in equal instalments over the tenor of the facility after a one year moratorium period. The loan is secured with a legal mortgage on the Group's assets, Maryland Mall building.

(b) The movement in borrowings during the year is as follows:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Balance, beginning of the year	4,797,768	4,830,422	4,474,086	-	-
Additions	2,667,355	-	22,500	-	-
Exchange loss (see note 6)	392,886	-	54,643	-	-
Interest accrued	760,930	568,054	559,559	-	-
Modification gains (see note 6)	(131,811)	-	(7,200)	-	-
Interest capitalised as borrowing cost	271,575	-	(8,118)	-	-
Interest repayments during the year	(270,182)	(293,251)	(265,048)	-	-
Principal repayment of borrowing	(382,500)	(307,457)	-	-	-
	8,106,021	4,797,768	4,830,422	-	-

22 Taxation

(a) Tax expense

	In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
i	Minimum Tax	-	-	-	-	-
	Minimum Tax	-	-	-	6,745	-
ii	Current Tax	61,709	-	-	-	-
	Income tax expense	4,134	-	-	-	-
	Tertiary education tax	6	-	-	-	-
	Nigerian police trust fund levy	3,077	-	-	-	-
	NASENI Levy	68,926	-	-	-	-

Income tax expense refers to the current year tax charged to the profit or loss by using the tax rate enacted or substantively at the balance sheet date. The income tax expense during the year is nil (2019: Nil), as the Company does not have any taxable income. In line with Section 33 of the Finance Act 2019 ("the Act"), the Company was also not subjected to mimimum tax as it had no turnover for the year of assessment. (2019: Nil).

The Group's subsidiaries (Maryland Mall Limited and Lekki Retailtainment Limited) are not liable to pay income tax. Maryland Mall Limited had obtained a pioneer status incentive for a period of three years (November 2017 - October 2020) pursuant to the Industrial Development (Income Tax Relief) Act Cap 17, Laws of the Federation of Nigeria 2004, in respect of the Real Estate Development (Shopping Mall) service offered, which is part of the list of 6 additional Pioneer Products/Industries approved by the Federal Executive Council in 2008.
Lekki Retailtainment Limited however is not liable to pay minimum tax as the Company is still within the first four calender years of its commencement of business. Lekki Retailtainment Limited was incorporated on 21 November 2019.

(b.) Reconciliation of effective tax rate

	GROUP				BANK			
In Thousands of Naira		31-Dec-20		1-Dec-19		31-Dec-20		31-Dec-19
Loss before taxation	%	(1,933,755)	%	(1,172,339)	%	(126,953)	%	(3,500)
Income tax using the statutory tax rate	30%	(580,127)	30%	(351,702)	0%	-	0%	-
Adjusted for:								
Non-deductible expenses	(16%)	307,669	0%	363,930	0%	-	0%	-
Tax exempt income	0%	(939)	0%	-	0%	-	0%	-
Tertiary education tax	(0%)	4,134	0%	-	0%	-	0%	-
Nigerian Police Trust Fund Levy	(0%)	6	0%	-	0%	-	0%	-
NASENI Levy	(0%)	3,077	0%	-	0%	-	0%	-
Unutilised capital allowance	0%	(309)	0%	-	0%	-	0%	-
Tax incentive	(10%)	194,742	0%	(12,228)	0%	-	0%	-
	4%	(68,926)	0%	-	0%	-	0%	-

(c.) Unrecognised deferred tax assets

The Company had no unrecognised deferred tax for the year ended 31 December 2020 (31 December 2019: Nil).
The Group however had deferred tax asset amounting to N596 million, which were not recognized during the year because the availability of future taxable profits against which the deferred tax asset can be utilised could not be ascertained at the reporting date (31 December 2019: N338m). The analysis of unrecognised deferred tax is as follows:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Unutilised capital allowance	595,716	338,455	285,102	-	-
	595,716	338,455	285,102	-	-

(d) Current tax liabilities

The movement on this account during the period was as follows:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Balance, beginning of the year	6,745	6,745	6,745	6,745	6,745
Acquired tax liability	79,224	-	-	-	-
Charge for the year					
Income tax for the year	68,926	-	-	-	-
	154,895	6,745	6,745	6,745	6,745

23.) Other liabilities

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Group 1-Jan-19	Company 31-Dec-20	Company 31-Dec-19
Financial liabilities:					
Sundry creditors	45,843	20,421	20,853	-	-
Rental deposits	700,871	92,230	95,513	-	-
Unearned income	138,364	158,608	74,268	-	-
Fees and Account payable	2,839	-	-	-	-
Dividend payable	8,740	-	-	-	-
Payable to related companies (see (i) below)	555,972	45,500	79,035	63,111	1,000
Payable to LUCID/ASTRA	41,760	7,502	-	-	-
Accrued audit fees	18,600	18,800	14,500	4,000	15,000
	1,512,989	343,061	284,169	67,111	16,000
Non-financial liabilities:					
VAT payable	101,061	52,532	27,783	-	
Withholding Tax Payable	84,851	84,974	86,599	-	
	185,912	137,506	114,382	-	
TOTAL	1,698,901	480,567	398,551	67,111	16,000

(i) Payable to related companies mainly relates to amount payable to Purpe Capital Partners Limited (N512.2m) in respect of the multi-purpose property under construction in Lekki Retailtainment Limited.

24. Financial Instruments: Financial Risk Management.
The Group has exposure to the following risks from its use of financial instruments:
– Credit risk
– Liquidity risk
– Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework
The Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework, including implementation and monitoring of these policies. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables as well as cash and cash equivalents.

Inputs, assumptions and techniques used for estimating impairment
See accounting policy in Note 3
Significant increase in credit risk
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:
– the remaining lifetime probability of default (PD) as at the reporting date; with
– the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure.

The Group uses three criteria for determining whether there has been a significant increase in credit risk:
– Quantitative test based on movement in PD;
– Qualitative indicators; and
– A backstop of 90 days past due.

Determining whether credit risk has increased significantly
The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the counterparty/issuer, and the geographical region.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group's credit risk management processes that may not otherwise be fully reflected in it quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 90 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

Definition of default
The Group considers a financial asset to be in default when:

– the counterparty/issuer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);
– the counterparty/issuer is more than 90 days past due on any material credit obligation to the Group or
– it is becoming probable that the counterparty/issuer will restructure the asset as a result of bankruptcy due to the counterparty's/issuer's inability to pay its credit obligations.
In assessing whether a issuer/counterparty is in default, the Group considers indicators that are:
– qualitative: e.g. breaches of covenant;
– quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Measurement of ECL
The key inputs into the measurement of ECL are the term structure of the following variables:
– probability of default (PD);
– loss given default (LGD); and
– exposure at default (EAD).

PD is the is the likelihood over a specified period, usually one year, that a borrower will not be able to make scheduled repayments. Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counteparties.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date by credit quality was as follows:

Group
31 December 2020

31 December 2020 In Thousands of Naira	Note	Carrying Amount (Gross)	12 months ECL Allowance	Lifetime ECL Allowance	Carrying Amount (Net)
Cash and cash equivalents	17	792,718	-	-	792,718
Account receivables*	14	232,933	-	(64,948)	167,985
Other asset	15	2,050,196	-	(432,517)	1,617,679
		3,075,847	-	(497,465)	2,578,382

Group
31 December 2019

31 December 2020 In Thousands of Naira	Note	Carrying Amount (Gross)	12 months ECL Allowance	Lifetime ECL Allowance	Carrying Amount (Net)
Cash and cash equivalents	17	2,866	(319)	-	2,547
Account receivables*	14	129,152	-	(5,152)	124,000
Other asset	15	1,741,967	-	(379,303)	1,362,664
		1,873,985	(319)	(384,455)	1,489,211

*Amounts reported exclude non financial assets

Cash and Cash equivalents

The Group held cash and cash equivalents of N792.7 million as at 31 December 2020. The cash and cash equivalents consist of N353.9 million call deposit with Stanbic IBTC Bank Plc, N413 million placement in AXA, N4.1 million cash in Stanbic IBTC Bank Plc, and N18.97 million cash in Purple Money Microfinance Bank Limited. The credit risk relating to the amount in Purple Money Microfinance Bank is considered low due to the high credit quality of the related party. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date by credit quality was as follows:

Account receivables

The Group's account receivable comprises of receivables on service charge and utilities, receivables on customers lease rental and receivables on adverts. The credit risk relating to this receivables is considered low due to the high credit quality of the counter parties.

b.) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Group has a robust funding arrangement with its parent Group, its bankers; Stanbic IBTC Bank Plc and Purple Money Microfinance Bank Limited which can be utilised to meet its liquidity requirements.

The payment terms to its vendors are favourable to the Group in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Group

31 December 2020 In Thousands of Naira	Note	Carrying Amount N'000	Contractual cash flows N'000	6 months or less N'000	6-12 months N'000	Over 1 year N'000
Financial assets						
Cash and cash equivalents	19	792,718	792,718	792,718	-	-
Other receivables	16	167,985	167,985	167,985	-	-
Total financial assets		960,703	960,703	960,703	-	-
Financial liabilities						
Other liabilities	23	1,512,989	1,512,989	289,459	30,588	1,192,942
Borrowing	21	8,106,021	9,165,571	716,591	1,053,833	7,395,147
Total financial liabilities		9,619,010	10,678,560	1,006,050	1,084,421	8,588,089
Gap (Asset - Liabilities)			(9,717,857)	(45,347)	(1,084,421)	(8,588,089)
Cumulative liquidity gap			(9,717,857)	(45,347)	(1,129,768)	(9,717,857)

31 December 2019 In Thousands of Naira	Note	Carrying Amount N'000	Contractual cash flows N'000	6 months or less N'000	6-12 months N'000	Over 1 year N'000
Financial assets						
Cash and cash equivalents	19	2,547	2,547	2,547	-	-
Other receivables	16	149,260	149,260	149,260	-	-
Total financial assets		151,807	151,807	151,807	-	-
Financial liabilities						
Other liabilities	23	480,567	480,567	162,908	20,421	297,238
Borrowings	21	4,797,768	6,186,304	516,766	506,422	5,163,116
		5,278,335	6,666,871	679,674	526,843	5,460,354
Gap (Asset - Liabilities)			(6,515,064)	(527,867)	(526,843)	(5,460,354)
Cumulative liquidity gap			(6,515,064)	(527,867)	(1,054,710)	(6,515,064)

Company

31 December 2020 In Thousands of Naira	Note	Carrying Amount N'000	Contractual cash flows N'000	6 months or less N'000	6-12 months N'000	Over 1 year N'000
Financial assets						
Cash and cash equivalents	19	2,023	2,023	2,023	-	-
		2,023	2,023	2,023	-	-
Financial Liabilities						
Other liabilities	23	67,111	67,111	4,000	-	63,111
		67,111	67,111	4,000	-	63,111
Gap (Asset - Liabilities)			(65,088)	(1,977)	-	(63,111)
Cumulative liquidity gap			(65,088)	(1,977)	(1,977)	(65,088)

31 December 2019 In Thousands of Naira	Note	Carrying Amount N'000	Contractual cash flows N'000	6 months or less N'000	6-12 months N'000	Over 1 year N'000
Financial Liabilities						
Other liabilities	23	16,000	16,000	15,000	-	1,000
		16,000	16,000	15,000	-	1,000
Gap (Asset - Liabilities)			(16,000)	(15,000)	-	(1,000)
Cumulative liquidity gap			(16,000)	(15,000)	(15,000)	(16,000)

c.) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rate and interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

(i) Currency risk

The Group is currently exposed to significant foreign currency risk related to the fluctuation of foreign exchange rates. This is so because its revenues, capital expenditures are principally based in Naira and its assets and liabilities denominated in foreign currency are not appropriately matched. A significant change in the exchange rates between the Naira (N) (functional and presentation currency) relative to the US dollar would have effect on the Group's results of operations, financial position and cash flows.

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
	USD N'000	USD N'000	USD N'000	USD N'000
Financial assets				
Cash and cash equivalents	551	551	-	-
	551	551	-	-
Financial liabilities				
Rental deposit	-	-	-	-
Borrowings	(8,106,021)	(4,797,768)	-	-
Net exposure	(8,105,470)	(4,797,217)	-	-

The sensitivity analyses set out below show the impact of a 5% increase and decrease in the value of both derivative and non derivative instruments based on the exposure to currency risk at the reporting date. For each sensitivity scenario, the impact of change in a single factor is shown, with other assumptions or variables held constant.

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Increase in currency rate by 5%	(405,274)	(239,861)	-	-
Decrease in currency rate by 5%	405,274	239,861	-	-

The following significant exchange rates were applied: **Year end**

	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
	₦	₦		
USD $ 1	400.33	364.70	-	-

(ii) Interest rate risk

The management of interest rate risk against interest rate gaps limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standards and non-standards interest rate scenarios.

Analysis of the Group's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position was as follows:

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Interest bearing assets:					
Placements	19	353,967	67	-	-
Money Market funds	19	413,127	-	-	-
		767,094	67	-	-
Interest bearing liabilities:					
Borrowings	21	8,106,021	4,797,768	-	-
Net interest bearing assets		(7,338,927)	(4,797,701)	-	-

Sensitivityof net projected interest income

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Increase in interest rate by 1%	(73,389)	(47,977)	-	-
Decrease in interest rate by 1%	73,389	47,977	-	-

25.) Use of estimates and judgments

These disclosures supplement the commentary in financial risk management. Key sources of estimation uncertainty are as disclosed below:

a.) Determining fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using inputs that are not based on observable market data, i.e., unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs could have a significant effect on the instrument's valuation. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques. The Group classifies the fair value measurement for investment properties as a level 3 fair value based on the inputs to the valuation technique used. The fair value of the Group's investment properties is usually determined by external, independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. (See note 10 for details)

b.) Income taxes

Significant estimates are required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c.) Deferred taxes

Significant estimates are required in determining the Group's provision for deferred taxes. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. The timing difference arises majorly from investment property (tax base and accounting base) and unrelieved losses.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the associated deductible temporary differences can be utilised. Deferred tax asset are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

d.) Financial assets and liabilities classification.

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances. Details of the Group's classification of financial assets and liabilities are given in note 24.

e.) Depreciation, carrying value of investment property and property and equipment and their residual values

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of items of investment property and property and equipment will have an impact on the carrying value of these items.

f.) Determination of impairment of investment property and property and equipment
Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make judgments and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgment is also required when assessing whether a previously recognised impairment loss should be reversed.

26.) Financial assets and liabilities

Accounting classification and fair values

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Group did not have financial instruments measured at fair value at the end of the reporting period.

(a) 31 December 2020

In Thousands of Naira	Note	Carrying Amount			Fair value			
		Amortised Cost	Other financial Liabilities	Total carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets:								
Cash and cash equivalents	19	25,473	-	25,473	25,473	-	-	25,473
Account receivable	16	232,933	-	232,933	232,933	-	-	232,933
Other receivable	17	2,050,196	-	2,050,196	2,050,196	-	-	2,050,196
		2,308,602	-	2,308,602	2,308,602	-	-	2,308,602
Financial liabilities:								
Other liabilities	23	-	1,512,989	1,512,989	-	1,512,989	-	1,512,989
Borrowings	21	-	8,106,021	8,106,021	-	8,106,021	-	8,106,021
		-	9,619,010	9,619,010	-	9,619,010	-	9,619,010

(b) 31 December 2019

In Thousands of Naira	Note	Carrying Amount			Fair value			
		Amortised Cost	Other financial Liabilities	Total carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:								
Cash and cash equivalents	19	2,799	-	2,799	2,799	-	-	2,799
Account receivable	16	129,152	-	129,152	129,152	-	-	129,152
Other receivable	17	1,741,967	-	1,741,967	1,741,967	-	-	1,741,967
		1,873,918	-	1,873,918	1,873,918	-	-	1,873,918
Financial liabilities not measured at fair value:								
Other liabilities	23	-	343,061	343,061	343,061	-	-	343,061
Borrowings	21	-	4,797,768	4,797,768	4,797,768	-	-	4,797,768
		-	5,140,829	5,140,829	5,140,829	-	-	5,140,829

27.) Non-controlling interest
Non-controlling interest is attributable to:

In Thousands of Naira	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Network Hotels Limited	(9)	(9)	-	-
Purple Retail Limited (BVI)	(1)	(1)	-	-
Maryland Mall Limited	(10)	(10)	-	-

28.) Contingencies
(a) Pending litigation and claims
As at 31 December 2020, there were no known pending claims and litigations against the Group arising in the normal course of business.

(b) Guarantee and contingent liabilities
There were no known guarantees and contingent liabilities as at the year end (2019: Nil).

(c) Financial commitments
The directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Group, have been taken into consideration in the preparation of these financial statements.

29.) Group entities
Significant subsidiaries

In Thousands of Naira	Nature of business	Financial Year end	Investment in Subsidiaries	Ownership interest 31-Dec-2020	Ownership interest 31-Dec-2019
Maryland Mall Limited	Real estate management and development	31 December	1,916,764	100.00%	100.00%
Lekki Retailtainment Limited	Real estate management and development	31 December	1,000	100.00%	100.00%
Purple Real Estate Development Company Limited	Real estate management and development	31 December	90,486	100.00%	0.00%
Purple Proptech Limited	E-commerce (Technology Platform)	31 December	36,613	100.00%	0.00%

30. Related parties
Parent and controlling party

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. From the Group's perspective, this definition includes key management personnel which are directors and the following entities.

Purple Retail Limited (British Virgin Island)	Direct Parent Company
Purple Capital Holdings Limited (Mauritius)	Indirect Parent Company
Purple Retail Managers Limited (Mauritius)	Indirect Parent Company
Lucidhouse Limited (Mauritius)	Ultimate Parent Company
Maryland Mall Limited	Subsidiary company
Lekki Retailtainment Limited	Subsidiary company
Purple Capital Partners Limited	Sister company
Purple Money Microfinance Bank Limited	Sister company
Purple Estate Development Company	Sister company

During the year, Purple Retail Managers Limited (a private company incorporated under the laws of the republic of Mauritius) transferred its equity holding in Purple Real Estate development Company Limited (PREDCO) effectively on 31 August 2020 for a consideration of N1. The Net asset transferred amounting to N90.5 million was recognised as investment in subsidiary with the corresponding entry recognised in equity.

31. Events after the reporting period

Subsequent to year end, the deposits for shares in the books of Purple Real Estate Income limited was registered with the Corporate Affairs Commission. Purple Real Estate Income Limited based on the board resolution communicated a notice for the increase in issued share capital from N19 million to N20.2 million to the corporate affairs commission dated 23 December 2020. This was presented for filing and approved on 9 March 2021 which was subsequent to the Company's financial year end.

There were no other post balance sheet events which could have a material effect on the financial position of the Company as at 31 December 2020 and profit attributable to equity holders which have not been adequately adjusted for or disclosed in these financial statements.

31. Reconciliation of statement of cash flow

a.) Investment property

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Balance at start of the year	11	11,490,000	12,194,246	-	-
Balance at end of the year	11	(12,468,784)	(11,490,000)	-	-
Non-cash interest capitalised		96,000	-	-	-
Net cash outflow		(882,784)	704,246	-	-
Explained by:					
Cash expended on construction (Land)		(943,593)	(85,000)	-	-
Cash expended on construction (Building)		(892,653)	(39,534)	-	-
Total cash expended on land and building		(1,836,246)	(124,534)		
Fair value changes in investment property	11	953,461	828,780	-	-
		(882,784)	704,246	-	-

b.) Account receivable

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Balance at start of the year	16	149,260	183,610	-	-
Balance at end of the year	16	(167,985)	(149,260)	-	-
Impairment allowance - WHT	9	25,260	(14,357)	-	-
Impairment allowance - Account Receivable	9	19,204	-	-	-
Net cash outflow		(63,189)	48,707	-	-
Explained by:					
Net cash inflow		(63,189)	48,706	-	-
		(63,189)	48,706	-	-

c.) Investment securities

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Balance at start of the year	18	-	7,142	-	-
Balance at end of the year	18	(150,929)	(5,500)	-	-
Net cash outflow		(150,929)	1,642	-	-
Explained by:					
Non cash fair value gains	18(i)	(8,135)	-	-	-
Net cash outflow		(142,794)	82,016	-	4,500
		(150,929)	82,016	-	4,500

d.) Other liabilities

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
Balance at start of the year	23	(480,567)	(398,551)	(16,000)	(11,500)
Balance at end of the year	23	1,698,901	480,567	67,111	16,000
Net cash outflow		1,218,334	82,016	51,111	4,500

For the year ended 31 December

e.) Other assets

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19

f.) Trading properties under development

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19

g. Investment in subsud

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19

33. Operating lease income

The Group leases out its investment properties (See note 4(n))

The period of leases where by the Group leases out its investment property under operating lease is two or more years. The Group did not recognise any contingent rent as income during the year. (2019: Nil).

i.) Future minimum lease payment

At 31 December 2020, The future aggregate minimum rentals receivable under non-cancellable operating leases are as follow:

In Thousands of Naira	Note	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19


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Other National Disclosures

5.1 Value Added Statement

For the year ended 31 December 2020

Group

In Thousands of Naira	2020	%	2019	%

For the year ended 31 December 2020
Company

In Thousands of Naira	2020	%	2019	%

5.2 Financial Summary

Group

In Thousands of Naira	31-Dec-20	Restated 31-Dec-19	Restated 31-Dec-18	31-Dec-17	31-Dec-16

Income statement

In Thousands of Naira	31-Dec-20	Restated 31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16

Company

In Thousands of Naira	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16

Company
Income statement

In Thousands of Naira	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16

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Contact

6.1 Contact

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