purple

Purple Real Estate Income Limited Annual Report

31 DECEMBER 2021

Creating

Affordable and Memorable Lifestyle Experiences Designed for Outsized Returns

purple

purplemaryland
work · shop · eat · play · drink

purplelekki
work · shop · eat · play · drink · live

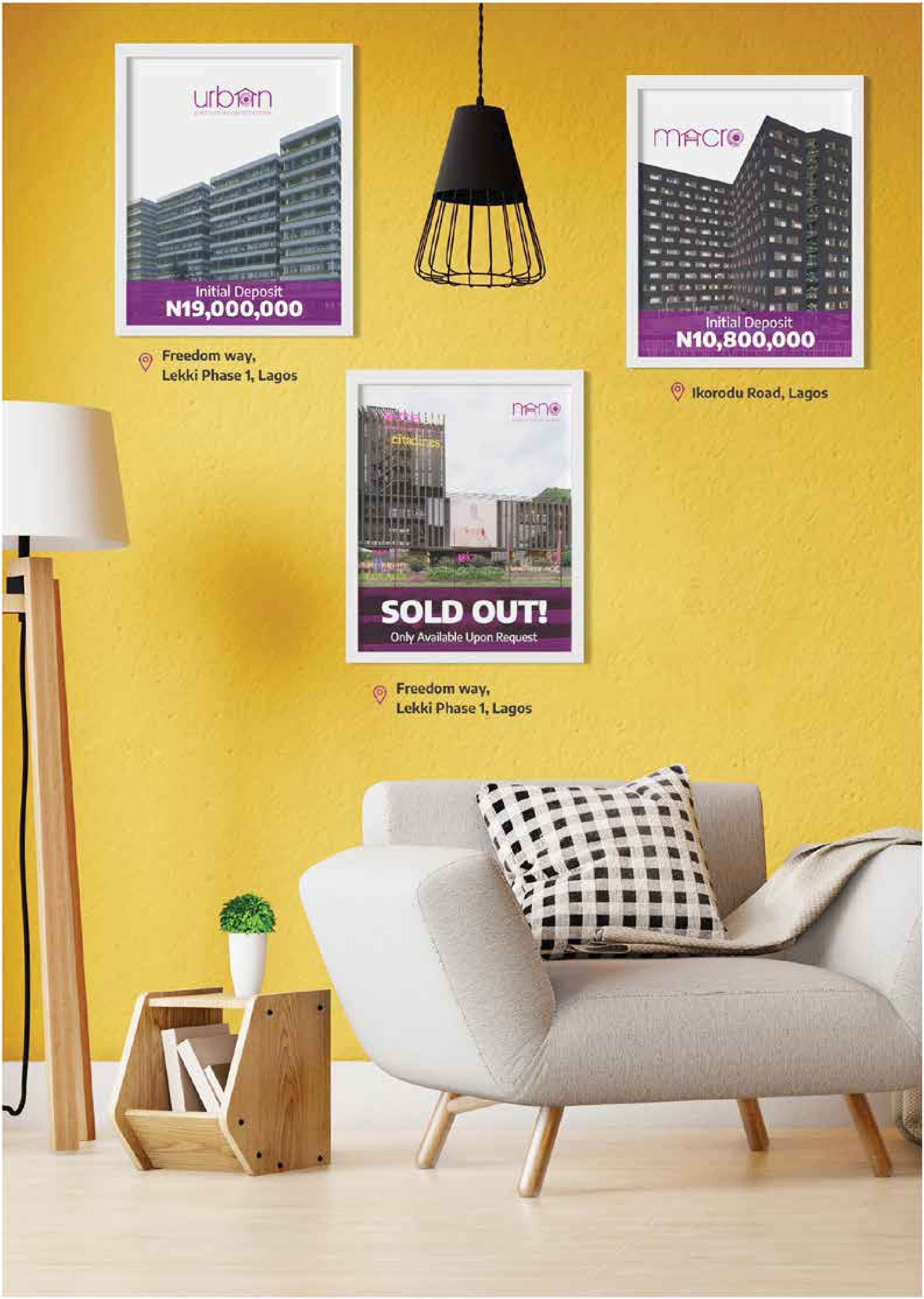
purpleliving
nano · macro · urban

purpleshop

purplemoney

purpletv

play



urban
Initial Deposit
N19,000,000
Freedom way,
Lekki Phase 1, Lagos
macro
Initial Deposit
N10,800,000
Ikorodu Road, Lagos
nano
SOLD OUT!
Only Available Upon Request
Freedom way,
Lekki Phase 1, Lagos

Table of Content

Corporate Information

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

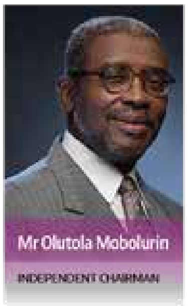
We understand that to go further, we have to go together.

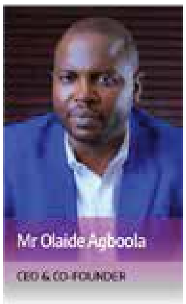
Transparency

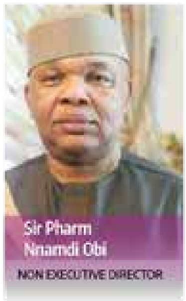
We are visible, accessible and direct in our business dealngs.

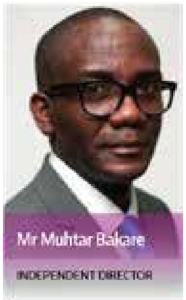
Corporate Information

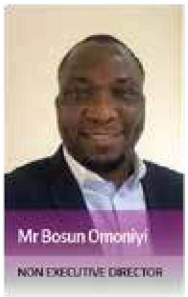
Board of Directors

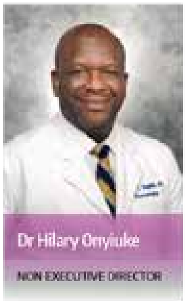


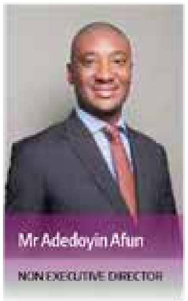












Registered Office

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

Business Office

350/360, Ikorodu road
Maryland, 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

Principal Bankers

Stanbic IBTC Bank Plc

Purple Money Microfinance
Bank Limited

Company Registration No

RC 1185154

Tax Identification No

22514221-0001

Chairman's Introduction

Mr Olutola Mobolurin; CHairman, Purple

Opportunity within Chaos

What began as an isolated flu-like illness in the province of Wuhan, China in December 2019 has continued to keep the world in a state of relative uncertainty; and inevitably sets the backdrop for another annual report. The world has changed significantly since the outbreak of Covid 19, and continues to evolve in the year that the worst of the pandemic seems to have passed.

Last year, we informed you about the steps we took in response to the pandemic. This year, our introduction addresses how these decisions played out and how we have managed to create opportunities and thrive within chaos.

2021 Review

Nigerian Economy

Not many analysts predicted Nigeria's economy would recover as quickly as it has done from the lockdown of 2020 and 2021 as well as other challenges. However, Q4 2021 marked the 5th straight quarter that the Nation recorded growth figures, solidifying the end of a brief covid induced recession. Whilst this sounds good on paper, inflationary pressures and foreign exchange constraints had a marked dampening on the state of the economy in 2021.

Nigeria continued its reliance on crude oil as its main source of income, contributing over 70% of Government Revenue. A resurgent price per barrel, recovering from 2020 slumps as low as $20, hitting $83 in November 2021 would give cause for optimism. However, dwindling crude exports still resulted in a 50.5% performance as against government estimates. Data from Nigeria's statistics bureau revealed an import bill that skyrocketed by 51.1% year-on-year to N8.15 trillion in Q3 2021, representing the highest figure on record. With the country still unable to meet oil production quota, its highest FX revenue generator not operating to its fullest potential, piled more pressure on the exchange rate.

In terms of foreign remittances, foreign portfolio investments of $551 million and direct investments at $77.97 million were recorded in 2021, both significantly lower compared to pre-pandemic levels. The non-oil sector grew, with Telecoms, Trade and Agriculture leading the way. Agriculture grew by about 4% compared to previous year's GDP. Conversely, the government's revenue records for CIT and VAT exceeded budgeted amounts indicating some resilience in the private sector and stronger compliance.

Nigeria's annual inflation rose to 18.17%, rising for the 19th consecutive month in March 2021 amid continued effects of the pandemic. Higher transportation costs and consistent disruptions in the supply chain resulted in widespread price increases; and the general population continue to see the value of their earnings depreciate. Food inflation reached a 16-year record high of 22.95% in March 2021.

Negative trade balance pressures, reduced remittances and FDI from the diaspora, lower capital inflows, and lower crude oil exports all combined to increase pressure on the exchange rate. The official Naira exchange rate averaged N410.3:US$1 through most of the year, but by year end, closed at N435:US$1. Meanwhile, the Naira suffered a similar decline in the parallel market as rates at the end of the year stood at N565:US$1, down 22.8%. The continued volatility of the parallel market exacerbated the gulf in rates against the official rate from last year's difference of N49.75 to N140.74.

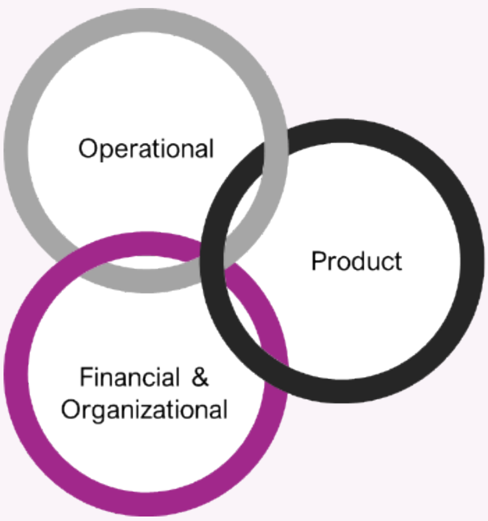
Chairman's Introduction

Real Estate Sector
The Real Estate Sector witnessed some positivity in 2021 as evidenced by a 3.85% growth in GDP recorded in Q2 2021. Investment in all sectors since 2020 has been quite encouraging, led by domestic players who are reported to have contributed 71% of all investment within the country in 2021, a new record. The Real Estate Sector was not left out as we saw landmark fund raises throughout the year.

The residential market continued to churn out houses buoyed by the short-let boom, as well as the shift in work culture to Work From Home especially with organizations adopting hybrid strategies, the market for larger houses to accommodate the home office has also increased. With the lockdowns and social unrest, a very recent memory for many Nigerians, gated, well located, mixed use communities offer solutions to home seekers. Short-lets also present a local getaway option for many consumers providing tasteful home away from home experiences. Demand for health care and industrial assets such as isolation centres, data centres, quick service retail centres and warehouses have also been on the rise creating an interesting new market for less conventional real estate assets, which have become more relevant since the pandemic.

National and sub-national governments have also introduced some key interventions to bring more safety and control to real estate transactions. The Lagos State Government is taking significant steps to cut down on fraudulent activities; Introducing a database for real estate practitioners through the Lagos State Real Estate Regulatory Authority (LASRERA). This measure will ensure that anyone looking to engage in the real estate business is registered with the Authority and conforms to its provisions, effectively creating a global regulating body for real estate within Lagos State

Our Strategy
Our response to the unfavorable conditions above was a 3-pronged approach in dealing with both the greatest challenge modern medicine has faced as well as an economic instability. We made significant changes to our Operations, Financial and Organizational Structure and Product



Product
Deployment of more mixed use assets
Incorporation of Short Stay, Long Stay Model with branded management
Development of Tech Services to compliment brick and mortar

Financial & Organizational
Cycle out USD financing faster
Increase equity base
Consolidate company structure
Secure institutional Naira financing
Begin pathway to public listing

Operational
Increased health and safety protocols and physical security
Community outreach
Workforce reorganization

Chairman's Introduction

Product
Our team utilised a flexible strategy tweaking our end-to-end real estate business designed to take advantage of all the gaps, looking at products that would fit effectively into where the industry currently is. Our mixed short stay, long stay business received a boost with the introduction of professional international management taking advantage of the upward demand of this specialized residential sub-set. This is in addition to deploying our wealth of experience in marketing to attract a variety of successful brands in the food and drink business, with the expectation that these will drive the quality of experiences at these facilities upwards.

Financial & Organizational
The company embarked on its journey to go public, creating the opportunity to access the buoyant equities market where, according to data from the NGX, over 39 billion Units worth US$541.1billion were traded in the first 6 months of 2021. Exiting dollar denominated loans from the company's books was also a huge priority, as the scarcity and fluctuations in price erodes shareholder value. Replacing this with long term institutional funding was identified as the ideal way to fund our development plan sustainably. This has led us to look towards Sukuk financing as well as bond issuances.

As at the time of writing this, the company has also taken steps to combine the operations of our two vehicles, PREIL and PREDCO allowing the enlarged PREIL to benefit from cost savings to be derived through maximizing operational efficiencies. The Scheme was effected under Section 711 of the Companies and Allied Matters Act of 2020. We believe this change will significantly enhance portfolio optimization, coordination and reduce the risk of duplications across both businesses. This will improve efficiency through more focused management of resources and potentially lead to revenue enhancement because of the synergistic benefits arising from economies of scale and scope as well as improved competitiveness, due to the alignment of the existing individual strengths of the Companies.

Operational
The company adopted a belt tightening strategy within its assets to weather the worst of the storm, reorganizing the services and workforce within PurpleMaryland to match the reduced footfall. This streamlining helped the team determine a new baseline for services and allowed us to scale services efficiently as things returned to normal, deriving a lower cost profile for managing the asset. However, these positive measures have been undermined by the estimated 35% increase in the cost of real estate products and services partially brought about by foreign exchange pressures. We have maintained robust safety and security measures, boosting investor and customer confidence and we have felt the benefits of this - recording another year without civil unrests affecting our locations.

Corporate Governance
Corporate governance played a large part in the successful outcome of this year. Our continued belief in a robust, transparent structure and reporting framework has allowed us to make timeous interventions and business decisions which have helped chart the right path and accelerate the growth of the company despite the harsh conditions earlier discussed. The Company continues to support worthy causes including Child Cancer Awareness, Women Empowerment and Mentoring / Education.

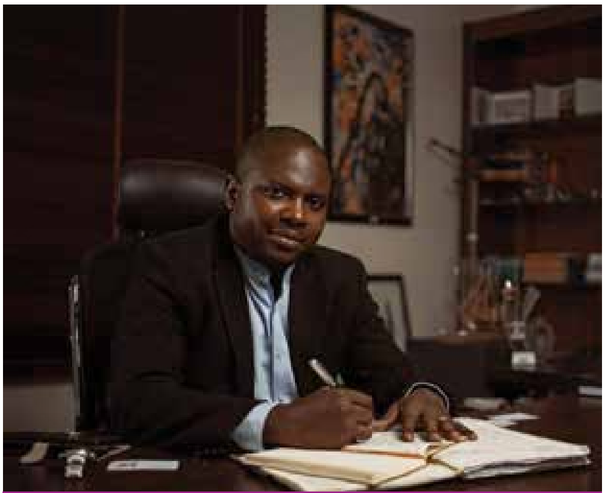
The Board & Board Committees have also undergone some change with Mrs. Fiona Aihimie and Mrs. Osareme Archibong joining the group as Independent Directors, whilst Mrs. Osareme Archibong was also appointed Independent Chairman of the restructured Finance, Investment and Strategy Committee. The committee was previously the Audit Finance and Strategy Committee. All other Board Committees remained the same.

Chairman's Introduction

The Board and Committees met at least four times each in 2021 and also held an Annual General Meeting.

This year also marks the end of my nine-year Chairmanship of the Company, although, I continue to serve as an Adviser to the Board. I remain confident that the team will continue to excel under the guidance and Chairmanship of Mrs. Jumoke Akinwunmi who has been invaluable to the Board in recent years. It has been a pleasure being part of the Purple Story and we eagerly anticipate the next phase of what is certain to be an exciting journey of sustained growth, landmark achievements and value creation for the Company, its people and the communities in which it operates.

CEO’s Statement



Mr Olayide Agboola; CEO, Purple

This has been an important and impactful year in the context of the Purple Journey. Much like the year before it, 2021 was rammed full of new challenges amidst a continuously changing economic and political landscape as the world carried on with its adaptation to a new normal.

For Purple, the year was filled with significant milestones as the company consolidated its real estate, financial services and technology pipelines, onboarding exciting new projects and setting off on a path of phenomenal growth. These outcomes seemed at odds with the sometimes restrictive operating climate experienced in 2021. The successes attained in 2021 are the culmination of years of focus on our product – market fit and embodying persistence and audacity, two of our core values at Purple.

2021 Review

While the direct effects of the global pandemic gradually receded throughout the year, many of the necessities from the pandemic have become more commonplace. The Real Estate sector has seemingly continued to demand more all inclusive and pandemic proof assets in response to the current operating environment, and we have seen Mixed use solutions like ours continue to provide answers to a lot of the problems faced. This is evidenced by the continued uptake in our mixed use assets and similar concepts springing up in the Lagos Metropolis. Tech has also been a focus for us this year and our product ecosystem has grown ever more cloud based, effectively morphing the group into a tech powered real estate business, amplifying access and affordability of its brick and mortar developments via intelligent online solutions, gradually bridging the gap to a whole new audience for the Group.

Structure

Purple embarked on a restructuring of the organization, optimizing our operations and holding structure to prepare for the next phase of exponential growth. The company began the process of registering as the first Real Estate Investment Company (REICO) under the rules of the Securities and Exchange Commission of Nigeria (SEC). This transition will also see the company become a publicly listed entity. Our interpretation of the REICO structure will allow the company to consistently raise and reinvest funds towards new resilient mixed use developments and other investment grade real estate assets. The company also acquired an asset management license and applied for a property management license enabling the company to independently manage all facets of the transition to the REICO structure.

Fundraising

Despite the relatively harsh operating environment, the team was successful in its efforts to raise capital in the market. 2021 saw Purple raise over N12 billion within the year across various instruments. The company and its offerings continued to prove attractive to institutional investors as well as HNIs and smaller retail investors with over N10 billion secured via two issuances of N5billion each from the development finance institution, Bank of Industry guaranteed by Keystone Bank Limited as well as via a N5 billion Sukuk Bond which was 100% subscribed and funded under a private issuance. About N2 billion was also raised via equity issuance.

As part of our growth plans and in tandem with our plans for REICO registration, Purple will issue via an Initial Public Offer ordinary shares of PREIL, under a N50 billion Equity Programme and also issue bonds through a special purpose vehicle to Qualified Institutional Investors.

The proposed Equity and Bond issuance will be under specified equity and bond programmes that will help PREIL continually raise capital for its development and acquisition plans into the future.

CEO's Statement

PurpleMaryland

Our flagship mixed use development, Purple Maryland continued its resurgence from the effects of the Covid-19 Lockdowns which saw footfall drop over 40% in 2020. 2021 saw the retail, coworking and entertainment hub return to over 1,000,000 recorded visits for the year as our customers visited new retail and office destinations like GREE, Lontor and Chippercash. The end of the year also ushered in the introduction of new supermarket anchors Market Square bringing in a refreshing grocery and supermarket product range to the Maryland Area. The new store will be their 21st in Nigeria, bringing their great prices and quality products to a new 1,000 + SQM hub in the Lagos mainland. Further buttressing the reemergence of human traffic at the centre are the elevated parking figures which are back to 70% of pre-covid levels.

PurpleMaryland maintained its high occupancy rate of cir 98% as tenant confidence remained high. Our strategy of building and growing with a strong group of homegrown tenants has continued to reap benefits, keeping attrition levels low at this centre. Our commitment to working with these businesses has ensured that both ourselves and the tenants can continue to thrive. These alliances have been instrumental in also filling up our other mixed use centres.

Our strategic location continues to prove viable for numerous brands hoping to spread high impact messages in the heart of Lagos. New visuals from Kuda Bank, Opay, Jumia Food and other brands lit up Ikorodu Road with their campaigns, whilst our usual annual clients stood with us yet again. Collections at Purple Maryland improved this year with the leasing and centre management teams recording a 37% increase as compared to last year across all revenue lines. Purple Maryland continues to maintain a modest maintenance budget estimated at less than 60% the budgeted amounts due to the consistent efforts of our in house team.

Purple Lekki

PurpleLekki, Our mixed use oasis has begun redefining the Freedom Way Skyline already. Construction of the 'New Black" began in 2020 and the positive reception Purple Lekki has received has reinforced our convictions, selling out the Nano Residences and achieving over 90% Retail occupancy a full year before its anticipated opening. Established brands like Market Square, Ventures Park, Ruff N Tumble, Essenza, Vestar Coffee and HSE Gourmet amongst others are also in various levels of discussions to take up key spaces within the retail and office portion of the building. Purple Lekki again embodies our development ethos, which focuses on established, traffic generating domestic retailers featuring affordable premium quality as well as essential goods. Purple Lekki will feature International Standard Short and Long Stay Management for its Nanos as well as high quality Entertainment and culinary services in the 6 lounge and fine dining establishments within the complex. Construction has reached the third floor level, with the iconic building set to open in phases, starting with the retail and co working sections launching before the end of 2022.

CEO's Statement

Purple Living

Purple Living, our umbrella residential brand has picked up the pace in 2021, as work kicked off on our pipeline of over 600 homes and counting. The Macro Site has been secured and construction is expected to begin in 2022. We have also included the International Standard Short and Long Stay Management at this location to offer a distinctive experience to residents of the Macros. Development on the Sukuk funded Purple Urban took off towards the end of the year 2021 with foundation works for the first phase consisting of cir 110 units. As at April 2022, the foundations for the 4Bedroom & Penthouse Units have been completed.

Affordable Student Housing

The well publicized housing deficit that exists in the country also extends to the various subsectors, including student accommodation, with the distribution and quality of available accommodation for students, being quite uneven. Affordable student housing also presents an interesting proposition for us at Purple, as it gives us the opportunity to really push our development techniques to the limit whilst also providing service that benefits students/young people, who are a key demographic we are trying to assimilate into the Purple ecosystem.

Purple has reached advanced stages to build an initial 1500 bed spaces across identified campuses in Ibadan and other locations. The Hostels will consist of containerized common areas and dormitories incorporating elements of green construction and IFC Edge principles.

Technology

Tech solutions are driven by solving problems and improving processes. Access is one of the key problems that has plagued real estate and wealth building in general for many civilizations. Real Estate is one of the most traditional ways of building and growing wealth. Ownership, specifically the ownership of land and landed assets, has been the basis of a lot of wealth generation till date. The main barrier to accessing real estate investment, today, is affordability, with property prices naturally appreciating, it has become increasingly difficult for everyone but the upper classes to earn the stable, tangible returns real estate offers. Even when people are able to access, many transactions are subject to other problems like trust and transparency as well as the inability to sometimes quickly exit or raise liquidity through real estate .

CEO's Statement

Research further reveals over 20,000 real estate related cases are tied up in litigation in Lagos Courts annually, coupled with the rising difficulty and cost in managing these real estate assets and, real estate investing could be quite tedious.

Our solution to this is Fractions, A Fractional Real Estate Investment and Exchange application, allowing users to invest in much smaller slices of investment grade real estate assets. These fractions can be held, sold, traded or gifted on our robust end to end blockchain powered platform.

For retail customers, Fractions provides the opportunity to invest in a diverse array of vetted, clean titled real estate assets, earning returns with ease, while Purple deploys its online and offline apparatus to ensure customers only have to lift a finger to manage their real estate investments.

For developers and homeowners, the Fractions platform provides all the tools needed to raise liquidity quicker than traditional means with tokenized IPOs and other kinds of equity issuances made possible. The incorporation of blockchain technology allows us to further tackle the problems of trust and transparency which clearly plague real estate transactions, eliminating middle men and creating an irrefutable trail of ownership as well the information security the blockchain technology provides.

For us, Fractions is a natural progression of our sales and marketing tools, creating a diverse, intuitive marketplace for our real estate pipeline, filled with a previously untapped class of retail customers who might not have been able to invest in real estate. We are excited for it to be released in 2022, just in time to support our IPO.

Our solutions to access don't stop there. Our foray into tech extends to our Microfinance Bank, where we are deploying solutions to increase access to finance for home rental, businesses and consumers as well as buy now pay later for retail through purple.shop, our online retail platform selling everything in our malls and more. Our Purplemoney wallet will also allow users a wide range of banking and investment tools to make everyday life more convenient.

Operating Results
As at the end of December 2021, the Group registered a profit before tax of Cir N1.5b. Purple's total asset value exceeded the N26Billion with shareholders funds reaching an excess of N9billion as well.

The company has managed to remain considerably liquid over the years by imbibing in proper liquidity management processes. Purple's asset base have shown significant growth over the period along with considerable growth in shareholder's equity which has more than tripled since inception.

Dividend
The Board declared an interim dividend of 22 Kobo per 50k ordinary share of the Company. The total amount of dividend declared is N442.3m for the year ended 31 December 2021 (2020: N8.7m).

Conclusion
2021 was a year characterized by audacity as we attained new heights amidst a period of great uncertainty. In 2022, we are propelled to continue the growth trajectory as we embark on an even more ambitious journey to register the first Securities and Exchange Commission's Real Estate Investment Company and take our asset base from above N26b to well over N70B.

If Prices Bring You Down

purpleshop

Will Lift You Up

Directors' Report

For the year ended 31 December 2021

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 2021.

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 Consolidated Financial Statements comprise the results of Purple Real Estate Income Limited, Maryland Mall Limited, Purple Real Estate Developement Company Limited, Purple Proptech Limited, and Lekki Retailtainment Limited.

Group Structure

Purple Real Estate Income Limited has four (4) directly controlled subsidiaries and one (1) indirect subsidiary. The subsidiaries of Purple Real Estate Income Limited are Maryland Mall Limited, Purple Real Estate Development Company Limited, Purple Proptech Limited, Lekki Retailtainment Limited, and Purple Urban 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 2021	Group 2020	Company 2021	Company 2020
Total Revenue	1,789,454	808,608	-	-
Other Income	214,146	135,565	483,205	8,740
Total Operating Income	2,003,600	944,173	483,205	8,740
Profit/(loss) before taxation	1,515,871	(1,864,829)	262,118	(126,953)
Minimum tax	(3,061)	-	(102)	-
Income tax expense	(198,698)	(68,926)	(13)	-
Profit/(loss) after taxation	1,314,112	(1,933,755)	262,003	(126,953)
Other comprehensive Income	-	8,135	-	-
Total Comprehensive profit/(loss) for the year	1,314,112	(1,925,620)	262,003	(126,953)

Dividend

The total amount of Interim dividend declared is N142.3m for the year ended 31 December 2021 (2020: N8.7m). The Board declared an interim dividend of 22 kobo per share for every share held by shareholders as at 25th March 2021. The dividend was paid during the year.
Furthermore, the board declared a final dividend on the 29th of April 2022 of 11 kobo per share for exisitng shareholders as at 31 December 2021. The dividend would be paid subsequent to the Annual General Meeting held in 2022.

Analysis of Shareholdings

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

In Thousands of Naira	2021		2020	
Shareholders	No. of Ordinary shares of 50 kobo each		No. of Ordinary shares of ₦1 each	
Purple Retail Limited	94%	2,431,999,872	100%	18,999,999
Purple Retail Managers Limited	0%	128	0%	1
Other Shareholders	6%	155,940,032	0%	-
	100%	2,587,940,032	100%	19,000,000

Directors and their Interests

The directors who held office during the year are as follows:

Olutola Mobolurin	Chairman
Olayide Agboola	Chief Executive Director
Oluseyi Sowale	Executive Director
Olajumoke Akinwunmi	Independent Director
Prof. Hillary Onyiuke	Non-Executive Director
Muhtar Bakare	Independent Director
Johnny Jones	Non-Executive Director
Olatunbosun Omoniyi	Non-Executive Director
Adedoyin Afun	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 2021.

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 11 to these financial statements.

Directors' Report

Charitable donations
The Group did not make any donation during the year under review (2020: Nil).

Property and equipment
Information relating to changes in property and equipment is given in Note 12 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.

Board Meetings
In compliance with the Companies and Allied Matters Act, 2020 (CAMA), the Board meets quarterly. Additional meetings are convened as the need arises. In the year ended December 31, 2021, the Board held four (4) meetings, details of attendance are provided below:

Names of Directors	12-Mar-21	14-Jul-21	11-Oct-21	17-Dec-21
Mr. Olutola Mobolurin	No	Yes	Yes	Yes
Mr. Olayide Agboola	Yes	Yes	Yes	Yes
Mr. Muhtar Bakare	Yes	Yes	Yes	Yes
Ms. Oluseyi Sowale	Yes	Yes	Yes	Yes
Prof. Hillary Onyiuke	Yes	Yes	Yes	Yes
Mrs. Olajumoke Akinwunmi	Yes	Yes	Yes	Yes
Olatunbosun Omoniyi	Yes	Yes	Yes	Yes
Obinna Onunkwo	No	Yes	Yes	Yes
Sir (Pham) Nnamdi Obi	No	No	No	No
Adedoyin Afun	Yes	Yes	Yes	No

In Attendance: Yes
Not in Attendance: No

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**

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. See Note 20(e) for recognition of deposit for shares.

1) The Finance Act was signed into Law on 31 December, 2021, with an effective date of 1 January, 2022. The signing into law of the Finance bill on 31 December 2021 qualifies as an adjusting event as the bill had been in existence at the end of the financial year. In view of this development, the company has reviewed the provisions of the Act and have made appropriate adjustments to the financial estimates disclosed in the Financial statement in line with the relevant provisions of the Finance Act.

(2) In March 2022, PREIL merged with its subsidiary, PREDCO, through a Scheme of Merger.

(3) Following board resolution, PREIL is pursuing registration as a as a Real Estate Company (REICO) with the SEC Nigeria in order to convert it to a Public Liability Company (PLC).

(4) Following board resolution, PREIL as the Sponsor, plans to issue a Bond through a special purpose vehicle to Qualified Institutional Investors. The Proposed issuance is for up to N20billion Series 1 Bond Notes under a N50billion Bond programme subject to regulatory approvals

(5) Following board resolution, PREIL plans to register a N20billion Initial Public Offering ("the Offer") by making its shares available to the public under a N50billion Equity programme to be registered with SEC transaction subject to regulatory approvals.

(6) PREIL, as part of its long term proptech and fintech plans invested N125,000,000 in Purplemoney Microfinance Bank Limited

(7) The Equity and Bond programmes are to enable PREIL continuously raise capital for its development and acquisition plans into the future.

(8) PREIL, as part of its plans to register as a REICO had acquired Alternative Capital Partners Limited and changed its name to Purple Asset Managers Limited.

(9) Furthermore, PREIL through its now merged subsidiary, PREDCO made applications to SEC for a property management license and as PREIL also submitted an application to register as a REICO with SEC.

(10) As at the date of completion of the audit, the processing of the applications for asset management and property management licenses as well as REICO approval are ongoing with SEC. The intention is to secure the necessary regulatory licenses and approval alongside the aforementioned capital raise.

(11) The Board approved to set aside 139,743,358 ordinary shares of 50kobo as an option for management to take up on or before 31st December 2022.

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
29 April 2022

Statement of Directors' Responsibilities in Relation to the Financial Statements

For the year ended 31 December 2021

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
29 April, 2022

Mr. Olayide Agboola
Chief Executive Officer
FRC/2013/IODN/00000003519
29 April, 2022

Statement of Corporate Responsibility for the Financial Statements

For the year ended 31 December 2021

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 2021 as follows:

a) That we have reviewed the audited financial statements for the year ended 31 December 2021.

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 2021.

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. Olayide Agboola
Chief Executive Officer
FRC/2013/IODN/00000003519
29 April, 2022

Ms. Oluseyi Sowale
Chief Financial Officer
FRC/2020/006/00000021622
29 April, 2022

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 audited 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 December, 2021;
• the consolidated and separate statements of profit or loss and other comprehensive income;
• 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, 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 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 (including International Independence Standards) (IESBA Code) 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, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities in relation to the Financial Statements, Statement of Corporate Responsibility for the Financial Statements and Other National Disclosures, 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. If, 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.

Independent Auditor's Report

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011and 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.

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 directors either intend to liquidate the Group (and Company) or to cease operations, or have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group (and Company)'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group (and Company)'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (and Company) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

We communicate with 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 belief 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.

Obaloje J. Oseme
FRC/2012/ICAN/00000004803
For: KPMG Professional Services
Chartered Accountants
Lagos, Nigeria
12 May, 2022

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

For the year ended 31 December 2021

In thousands of naira	Notes	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
Rental income	5(a)	577,895	420,237	-	-
Revenue from services to tenants	5(a)	360,196	241,469	-	-
Other revenue items	5(a)	245,097	146,902	-	-
		1,183,188	808,608	-	-
Revenue from sale of trading properties under development	5(b)	1,352,156	-	-	-
Cost of sales - trading properties under development	5(b)	(745,890)	-	-	-
Profit on trading properties		606,266	-	-	-
Total revenue		1,789,454	808,608	-	-
Other income	6(a)	214,146	135,565	483,205	8,740
Total operating income		2,003,600	944,173	483,205	8,740
Fair value gain/(loss) on investment properties	6(b)	1,009,610	(953,461)	-	-
Finance cost	7	(711,628)	(1,153,816)	-	-
Personnel Expenses	8	(310,612)	(157,756)	-	-
Operating expenses	9	(769,558)	(607,664)	(15,829)	(5,895)
Impairment (charge)/write-back	10	294,459	63,695	(205,258)	(129,798)
Profit/(loss) before minimum tax and income tax expense		1,515,871	(1,864,829)	262,118	(126,953)
Minimum tax	22	(3,061)	-	(102)	-
Profit/(loss) after minimum tax		1,512,810	(1,864,829)	262,016	(126,953)
Income tax expense	22	(198,698)	(68,926)	(13)	-
Profit/(loss) for the year		**1,314,112**	**(1,933,755)**	**262,003**	**(126,953)**
Other comprehensive income		-	8,135	-	-
Total comprehensive profit/(loss) for the year		**1,314,112**	**(1,925,620)**	**262,003**	**(126,953)**
Profit/(loss) for the year is attributable to:					
Equity holders of the Company		1,319,309	(1,925,620)	262,003	(126,953)
Non-controlling interest	20(f)	(5,197)	-	-	-
Profit/(loss) for the year		**1,314,112**	**(1,925,620)**	**262,003**	**(126,953)**
Total comprehensive profit/(loss) attributable to:					
Equity holders of the Company		1,319,309	(1,925,620)	262,003	(126,953)
Non-controlling interest	20(f)	(5,197)	-	-	-
Total comprehensive Profit/(loss)for the year		**1,314,112**	**(1,925,620)**	**262,003**	**(126,953)**

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

Consolidated and Seperated Statement of Financial Position

For the year ended 31 December 2021

In thousands of naira	Notes	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
ASSETS					
Non-current assets					
Completed investment property	11(a)	11,095,300	10,458,000	-	-
Investment property under development	11(b)	5,934,340	2,010,784	-	-
Property and equipment	12	135,766	90,327	-	-
Intangible assets and goodwill	13	127,898	22,380	-	-
Investment in subsidiary	14	-	-	2,631,871	2,044,863
Total non-current asset		**17,293,304**	**12,581,491**	**2,631,871**	**2,044,863**
Current assets					
Trading properties under development	15	6,843,346	1,192,425	-	-
Account receivable	16	159,681	167,985	-	-
Other asset	17	79,799	1,617,679	4,011,989	337,591
Investment securities	18	77,469	150,929	77,469	42,794
Cash and cash equivalents	19	1,964,370	792,718	8,749	2,023
Total current assets		**9,124,665**	**3,921,736**	**4,098,207**	382,408
Total assets		**26,417,969**	**16,503,227**	**6,730,078**	**2,427,271**
EQUITY					
Share capital	20	1,293,970	19,000	1,293,970	19,000
Share premium	20(b)	625,628	1,374,993	625,628	1,374,993
Retained earnings	20(c)	5,956,978	4,637,669	575,485	455,819
Fair value reserves	20(d)	-	8,135	-	-
Prepaid share capital reserves	20(e)	1,125,378	503,603	1,125,378	503,603
Equity attributable to equity holders of the parent company		**9,001,954**	**6,543,400**	**3,620,461**	**2,353,415**
Non-controlling interest	20(f)	(4,687)	10	-	-
Total equity		**8,997,267**	**6,543,410**	**3,620,461**	**2,353,415**
LIABILITIES					
Non-current liabilities					
Long term Borrowings	21(c)	8,284,485	-	3,027,884	-
Total non current liabilities		8,284,485	-	3,027,884	-
Current liabilities					
Current tax liabilities	22(d)	356,654	154,895	6,860	6,745
Other Liablities	23	1,206,433	998,030	74,873	67,111
Deferred revenue-deposits from customers	24	281,865	700,871	-	-
Short term borrowings	21(c)	7,291,265	8,106,021	-	-
Total current liabilities		9,136,217	9,959,817	81,733	73,856
Total liabilities		17,420,702	9,959,817	3,109,617	73,856
Total equity and liabilities		**26,417,969**	**16,503,227**	**6,730,078**	**2,427,271**

These financial statements were approved by the Board of Directors on 29 April 2022 and signed on its behalf by the directors listed below:

Mr. Olutola Mobolurin
Chairman
FRC/2013/CISN/00000003804

Mr. Olayide Agboola
Chief Executive Officer
FRC/2013/IODN/00000003519
29 April, 2022

Additionally certified by:

Ms. Oluseyi Sowale
Chief Financial Officer
FRC/2020/006/00000021622
29 April, 2022

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

In thousands of naira	Note	Share capital	Share premium	Fair value reserves	Prepaid share capital reserves	Retained earnings	Non-controlling interest	Total equity
Balance as at 1 January 2021	20	19,000	1,374,993	8,135	503,603	4,637,669	-	6,543,400
Profit/(loss) for the year		-	-	-	-	1,319,309	(5,197)	1,314,112
Fair value gains on financial assets at FVOCI		-	-	(8,135)	-	-	-	(8,135)
Total comprehensive income		**-**	**-**	**(8,135)**	**-**	**1,319,309**	**(5,197)**	**1,305,977**
Transactions with owners, recorded directly in equity								
Additional Share Capital		1,274,970	(749,365)	-	-	-	-	525,605
Deposit for shares		-	-	-	624,274	-	-	624,274
Share issue cost					(2,499)			(2,499)
Transfer of non-controlling interest to equity							510	510
Total contributions /(distributions)		**1,274,970**	**(749,365)**	**-**	**621,775**	**-**	**510**	**1,147,890**
								-
Balance at 31 December 2021		**1,293,970**	**625,628**	**-**	**1,125,378**	**5,956,978**	**(4,687)**	**8,997,267**

For the year ended 31 December 2020

In thousands of naira	Note	Share capital	Share premium	Fair value reserves	Prepaid share capital reserves	Retained earnings	Non-controlling interest	Total equity
Balance as at 1 January 2020	18	19,000	1,374,993	-		6,489,678	10	7,883,681
Loss for the year		-	-	-		(1,933,755)	-	(1,933,755)
Fair value gains on financial assets at FVOCI	18(d)			8,135		-	-	8,135
Total comprehensive income		**-**	**-**	8,135		(1,933,755)	-	(1,925,620)
Transactions with owners, recorded directly in equity								
Deposit for shares		-	-	-	503,603	-	-	503,603
Dividend to equity holders		-	-	-	-	(8,740)	-	(8,740)
Acquisition of shares of subsidiary - common control		-	-	-	-	90,486	-	90,486
Total contributions /(distributions)		**-**	**-**	**-**	**503,603**	**81,746**	**-**	**585,349**
				-				
Balance at 31 December 2020		**19,000**	**1,374,993**	**8,135**	**503,603**	**4,637,669**	**10**	**6,543,410**

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Company

In thousands of naira	Note	Share capital	Share premium	Prepaid share capital reserves	Retained earnings	Total equity
Balance as at 1 January 2021	20	19,000	1,374,993	503,603	455,819	2,353,415
Profit for the year		-	-	-	262,003	262,003
Total comprehensive income		**-**	**-**	**-**	**262,003**	**262,003**
Transactions with owners, recorded directly in equity						
Additional Share Capital		1,274,970	(749,365)		-	525,605
Deposit for shares		-	-	624,274	-	624,274
Share issue cost				(2,499)		(2,499)
Dividend to equity holders		-	-	-	(142,337)	(142,337)
Total contributions and (distributions)		**1,274,970**	**(749,365)**	**621,775**	**(142,337)**	**1,005,043**
Balance at 31 December 2021		**1,293,970**	**625,628**	**1,125,378**	**575,485**	**3,620,461**

For the period ended 31 December 2020

In thousands of naira	Note	Share capital	Share premium	Prepaid share capital reserves	Retained earnings	Total equity
Balance as at 1 January 2020	18	19,000	1,374,993	-	501,026	1,895,019
Loss for the year		-	-	-	(126,953)	(126,953)
Total comprehensive income		**-**	**-**	**-**	**(126,953)**	**(126,953)**
Transactions with owners, recorded directly in equity						
Acquisition of shares of subsidiary - common control					90,486	90,486
Deposit for shares		-	-	503,603	-	503,603
Dividend to equity holders		-	-	-	(8,740)	(8,740)
Total contributions and (distributions)		**-**	**-**	**503,603**	**81,746**	**585,349**
Balance at 31 December 2020		**19,000**	**1,374,993**	**503,603**	**455,819**	**2,353,415**

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

Consolidated and Seperate Statement of Cash Flow

For the year ended 31 December 2021

In thousands of naira	Notes	Group 31 Dec 2021	Group 31 Dec 2020	Company 31 Dec 2021	Company 31 Dec 2020
Cash flows from operating activities					
Profit/(loss) for the year		**1,314,112**	**(1,933,755)**	**262,003**	**(126,953)**
Income tax expense		198,698	68,926	102	-
Profit/(loss) before tax		**1,512,810**	**(1,864,829)**	**262,105**	**(126,953)**
Adjustments for:					
Fair value changes in Investment property	6(b)	(1,009,610)	953,461	-	-
Loan modification gain	6(a)	-	(131,811)	-	-
Interest expense	21(b)	669,275	760,930	189,901	-
Impairment loss/writeback	10	(294,459)	(63,695)	205,258	129,798
Foreign exchange loss	21(b)	42,352	392,886	-	-
Depreciation for property and equipment	12	37,824	103,031	-	-
		958,192	149,973	657,265	2,845
Changes in:					
Account receivable	33(b)	54,048	(63,189)	-	-
Trading properties under development	33(f)	(4,990,028)	(1,016,850)	-	-
Investment securities	33(e)	108,135	(142,794)	(34,675)	-
Other assets	33(c)	1,808,900	159,349	(4,075,884)	(467,389)
Other liabilities	33(d)& 6(a)	(210,603)	1,075,730	7,762	42,371
Net cash (used in)/ generated from operating activities		**(2,271,356)**	**162,219**	**(3,445,532)**	**(422,173)**
Cash flows from investing activities					
Acquisition of property and equipment	12	(83,263)	(32,665)	-	-
Acquisition of intangible assets	13	(61,698)	(21,733)	-	-
Acquisition of investment securities	18	-	-	-	(42,794)
Acquisition of businesses, net of cash acquired	14(a)	-	-	-	(36,613)
Expenditure on investment property under development	33(a)	(3,343,969)	(1,836,246)	-	-
Net cash generated generated from / (used in) investing activities		**(3,488,930)**	**(1,890,644)**	-	**(79,407)**
Cash flows from financing activities					
Proceed from borrowings	21(b)	8,653,680	2,667,355	3,000,000	-
Proceeds from deposits for shares	20(e)	624,274	503,603	624,274	503,603
Share issue costs	20(e)	(2,499)	-	(2,499)	-
Repayment of borrowings	21(b)	(1,593,170)	(382,500)	-	-
Interest paid	21(b)	(728,041)	(270,182)	(169,517)	-
Dividend received	33(g)	-	-	142,337	-
Dividend Paid	33(g)	-	-	(142,337)	-
Net cash generated from/ (used in) financing activities		**6,954,243**	**2,518,276**	**3,452,258**	503,603
Net increase/(decrease) in cash and cash equivalents		1,193,957	789,852	6,726	2,023
Cash and cash equivalents at beginning of the period		792,718	2,866	2,023	-
Effects of exchange movements on cash held		-	-	-	-
Cash and cash equivalents at 31 December	19	**1,986,675**	**792,718**	**8,749**	**2,023**

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

Notes to the Financial

For the year ended 31 December 2021

1 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 2021 comprise the Company and its subsidiary (together referred to as "the Group").

2 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 29 April 2022.

(b) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except completed investment property, investment property under development and unquoted equity which have been stated at fair value.

(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 Naira 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 to 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 26.2.1 - Consideration of significant financing component in a contract;
- Note 26.2.2 - Principal versus agent considerations – services to tenants
- Note 26.2.3 - consolidation - whether the group has de facto control over an investee.
- Note 26.2.4 - Classification of property
- Note 26.2.5 - Determining the timing of revenue recognition on trading property under development

(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 2021 is included in the following notes:

- Note 26.1.1 - Valuation of investment property.
- Note 26.1.2 - Estimation of net realisable value for trading property
- Note 26.1.3 - Measurement of progress when revenue is recognised over time.
- Note 26.1.4 - Deferred taxes.
- Note 26.1.4 - ECL impairment for expected credit losses of trade receivables and contract assets.

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)

Notes to the Financial

For the year ended 31 December 2021

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.

3 **Changes in accounting policies**

A new of other standards are effective from 1 January 2021 but they do not have material impact on the Group's Financial Statements. They are:

- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41- Annual improvements 2018-2020
- Amendments to IAS 37 Onerous Contracts– Cost of Fulfilling a Contract
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest RateBenchmark Reform –Phase 2
- Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

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 IFRS 1, IFRS 9, IFRS 16 and IAS 41 - Annual improvements 2018-2020**

• IFRS 1 First Time Adoption of International Financial Reporting Standards - The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS laterthan its parent) that applies IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

• IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the ''10 per cent test'' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

• IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

• IAS 41 Agriculture - The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

Based on an initial assessment, management does not foresee a significant impact coming from this new standard, management does not plan to early adopt this IFRS.

b **Amendments to IAS 37 Onerous Contracts– Cost of Fulfilling a Contract**

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that costs of fulfilling a contract comprise both:

• the incremental costs – e.g. direct labour and materials; and

• an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

This clarification is applicable for companies that apply the 'incremental cost' approach and they will need to recognise bigger and potentially more provisions.

Based on an initial assessment, management does not foresee a significant impact coming from this new standard.
Management does not plan to early adopt this IFRS.

c **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest RateBenchmark Reform –Phase 2**

The amendments address issues that might affect financial reporting as a result of the reform of an interbank rate benchmark, including the effects of changes of 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; and

• Hedge accounting.

Based on an initial assessment, management does not foresee a significant impact coming from this new standard.
Management does not plan to early adopt this IFRS.

Notes to the Financial

For the year ended 31 December 2021

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

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use bymanagement. As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items.

IAS 2 Inventories should be applied in identifying and measuring these production costs.
Companies will therefore need to distinguish between:

• costs associated with producing and selling items before the item of property, plant and equipment is available for use; and

• costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financialperformance – e.g. assessing whether the PPE has achieved a certain level of operating margin.

Based on an initial assessment, management does not foresee a significant impact coming from this new standard.
Management does not plan to early adopt this IFRS.

Other standards

– COVID-19-Related Rent Concessions (Amendment to IFRS 16).
– Reference to the Conceptual Framework (Amendments to IFRS 3).
– IFRS 17 Insurance Contracts.

4 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 non-controlling 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.

Notes to the Financial

For the year ended 31 December 2021

(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.

(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 non-controlling 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 non-controlling 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
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.

Notes to the Financial

For the year ended 31 December 2021

(c) Revenue

i) Revenue from rental income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Group's subleases are classified as operating leases.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

ii) Revenue from services to tenants

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, adverts, car parking, utilities etc.). The consideration charged to tenants for these services includes fees charged based on a percentage of the rental income and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Group allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.
The consideration charged to tenants for these services is based on a percentage of the rental income. The variable consideration only relates to the non-lease component and is allocated to each distinct period of service (i.e., each day) as it meets the variable consideration allocation exception criteria.

The Group arranges for third parties to provide certain of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

iii) Revenue from sale of trading property

i) Completed inventory property

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied. Payments are received when legal title transfers which is usually within six months from the date when contracts are signed.

ii) Inventory property under development

The Group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of property under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy.

Notes to the Financial

For the year ended 31 December 2021

For contracts that meet the over time revenue recognition criteria, the Group's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the property. The Group excludes the effect of any costs incurred that do not contribute to the Group's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Group's progress in satisfying the performance obligation (such as uninstalled materials).

(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 that result 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 2.5% of assessable profit in accordance with the provision of the Education Tax (Amendment) Decree No 40 of 1998.

Notes to the Financial

For the year ended 31 December 2021

(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, share premium and prepaid share capital reserves

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.
Prepaid capital reserves warehouses prepayments for shares that are yet to be issued to shareholders. There is no possibility of this prepayment being reversed or refunded and the Company has an obligation to deliver these shares.

Prepaid capital reserves warehouses prepayments for shares that are yet to be issued to shareholders. There is no possibility of this prepayment being reversed or refunded and the Company has an obligation to deliver these share.

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

(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.

(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.

Notes to the Financial

For the year ended 31 December 2021

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.

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.

Notes to the Financial

For the year ended 31 December 2021

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.

(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.

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 the ECL 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'.

Notes to the Financial

For the year ended 31 December 2021

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

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises principally offices, commercial warehouse and retail property that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

(i) Recognition and measurement

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operation.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

• Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.

• In the case of investment property held under a lease, increased by the carrying amount of any liability to the head lessor that has been recognised in the statement of financial position as a finance lease obligation.

Notes to the Financial

For the year ended 31 December 2021

(ii) Transfer to/from investment properties

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party).

For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party (for a transfer from inventories to investment property).

(iii) 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.

(iv) Derecognition

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

(l) Trading property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as trading property and is measured at the lower of cost and net realisable value (NRV).
Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.
Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.
When a trading property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

(m) 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.

Notes to the Financial

For the year ended 31 December 2021

(n) 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.

(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.

Notes to the Financial

For the year ended 31 December 2021

(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.


purple tv
follow us on youtube
Purple TV NG

Notes to the Financial Statements

For the year ended 31 December 2021

(o) 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.

(p) 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.

Notes to the Financial Statements

(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.

(q) 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.

Notes to the Financial Statements

5 Revenue

(a)

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Rental income (See (i) below)	577,895	420,237	-	-
Revenue from services to tenants (See (ii) below)	360,196	241,469	-	-
Other revenue items (See (iii) below)	245,097	146,902	-	-
	1,183,188	808,608		

(b)

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Revenue from sale of trading properties under development (See (iv) below)	1,352,156	-		
Cost of sales - trading properties under development (See (v) below)	(745,890)	-	-	-
	606,266	-	-	-
	1,789,454	808,608	-	-

(i) This amount represents the rental income earned at maryland mall during the year.
(ii) This amount represents the income earned from service charge and utilities at maryland mall during the year.
(iii) This amount represents the income earned from advertising and car park at maryland mall during the year.
(iv) This amount represents the income earned from sales of purple nano apartments by Lekki Retailtainment Limited during the year.
(v) This amount represents the cost of sales incurred on purple nano apartments by Lekki Retailtainment Limited during the year.

6 Other income

(a)

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Interest Income - Placement	1,296	3,754	-	-
Dividend income	-	-	442,337	8,740
Other Income	62,850	-	40,869	-
Income from Outsourced services	150,000	-	-	-
Fee Income	-	-	-	-
Modification gain on financial liabilities	-	131,811	-	-
	214,146	135,565	483,205	8,740

(b)

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Fair value gain/(loss) on investment properties (see note 11)	1,009,610	(953,461)	-	-

7 Finance cost

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Interest expense on borrowings	669,275	760,930	-	-
Exchange rate loss of borrowings	42,353	392,886	-	-
	711,628	1,153,816	-	-

Notes to the Financial Statements

8 Personnel expenses

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Salaries	237,847	75,958	-	-
Allowances and other staff cost	72,765	81,798	-	-
	310,612	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 receives outsourced service fee. The Group has a shared 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 2021 amounted to N310.6m (2020: 157.8m)

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

Number	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Categories				
Management	11	9	-	-
Senior staff	11	12	-	-
Junior staff	26	9	-	-
	48	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-21	31-Dec-20	31-Dec-21	31-Dec-20
Below N1,000,000	16	9	-	-
N1,000,001 - N2,000,000	6	5	-	-
N2,000,001 - N3,000,000	10	3	-	-
Above N3,000,000	16	13	-	-
	48	30	-	-

9 Operating Expenses

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Depreciation of property and equipment	39,001	103,031	-	-
Diesel expense	55,116	34,884	-	-
Advertisement and Public Relation	38,459	48,683	-	-
Cleaning expenses	20,838	19,590	-	-
Entertainment	8,460	202	-	-
Courier and postage	3,597	408	-	-
Trademark and Branding	38	679	-	-
Outsourced services	64,261	7,336	-	-
Bank charges	4,776	2,186	1,262	291
Business travel and accommodation	9,912	2,040	-	-
Business Premises and Developmental Fees	-	845	-	-
Office expenses	25,602	1,993	-	-
Printing and stationery	1,514	2,368	-	-
Transport and miscellaneous	5,810	4,389	1,238	-
Gift and Souvenir	14,377	7,227	-	-
Rental Expense	-	1,750	-	-
WHT expenses	2,616	6,331	2,616	568
VAT Expenses	-	360	-	-
Utility expenses	200,697	122,538	-	-
Fumigation expenses	3,764	600	-	-
Telephone expenses	20,710	12,751	-	-
Other expenses (see note (i) below)	249,375	227,473	10,714	5,036
	769,558	607,664	15,829	5,895

Notes to the Financial Statements

(i) Analysis of other expenses are as follows:

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Secretarial Fees	-	-	-	-
Professional Expenses	81,470	57,889	3,649	36
Other management fees	-	67,360	-	-
Repairs and maintenance cost	79,090	32,130	-	-
Management/Operational Fees	526	1,604	-	-
Security Expenses	15,282	15,074	-	-
Insurance cost	15,997	12,304	-	-
Pre-incorporation expenses	-	9,402	-	-
Subscriptions, Media and Rates	9,471	10,048	-	-
Auditors' remuneration	31,180	15,600	5,440	4,000
Directors Fees (See note 9(ii) below)	6,643	3,983	1,625	1,000
Vehicles expenses	9,716	2,079	-	-
	249,375	227,473	10,714	5,035

(ii) **Directors' remuneration**

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Fees and sitting allowances	6,643	3,983	-	-

Fees disclosed above include amounts paid to:

The chairman	1,500	1,500	-	-
The highest paid director	1500	1,500	-	-

10 **Impairment loss/(writeback)**

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Cash and cash equivalents	22,305	(319)	-	-
Reversal of impairment on Plant and Machinery	-	-	-	-
Impairment of Intangible assets	-	3,600	-	-
Account receivables	(70,930)	19,204	-	-
WHT receivables	25,186	25,260	-	-
Impairment of Investment in Subsidiary (see note 14)	-	-	108,759	-
Other assets (See note (i) below)	(271,020)	(111,440)	96,499	129,798
	(294,459)	(63,695)	205,258	129,798

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

In thousands of naira *Impairment/(writeback)*	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Bishops gate receivable	-	(3,131)	-	-
Receivables from Purple Retail Limited	-	2,615	96,499	104,852
Lekki Retailtanment Limited	-	-	-	24,946
Purple Capital Partners Limited	(271,020)	(110,924)	-	-
	#REF!	(111,440)	96,499	129,798

Notes to the Financial Statements

11 Investment property

Group

Investment property comprises the land and building of Maryland Shopping Mall and the On-going all-new state of the art mixed property under construction at Lekki Retailtainment Limited. As at period end, the Group's investment properties were 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 property under construction was carried at fair value as at 31 December 2021

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

31 December 2021

In thousands of naira	Land	Building	Building WIP	Total
Balance as at 01 January	3,340,709	8,110,215	1,017,860	12,468,784
Capital expenditure on property	1,861,258	-	1,689,988	3,551,246
Fair value remeasurement adjustment (see note 6(b))	165,481	844,129	-	1,009,610
Balance as at 31 December	**5,367,448**	**8,954,344**	**2,707,848**	**17,029,640**

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
Capital expenditure on property	992,924	6,461	932,860	1,932,245
Fair value remeasurement adjustment (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**

(a) **Completed Investment Property**

Subsidiary	Category	Description	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Maryland Mall Limited	Land and Building	This represents fair value of of 7,700 sqm of land and a corner piece modern shopping mall situated at No. 350, Ikorodu Road, by Idiroko bus stop, Maryland.	11,095,300	10,458,000	-	-
			11,095,300	**10,458,000**	-	-

(b) **Investment Property Under Development**

Subsidiary	Category	Description	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Lekki Retailtainment Limited	Land and Building WIP	This represents fair value of of 15,000 sqm of land and a state of the art mixed property use situated at Freedom way, Ikate Elegushi area of lekki.	5,270,493	2,007,870	-	-
Purple Real Estate Development Company	Land	This represents the cost of 2,317 sqm of bare land situated at No. 350, Ikorodu Road, by Idiroko bus stop, Maryland. This land has been classified as investment property because it is held for an undetermined future use and therefore considered to be held for capital appreciation.	663,847	2,914	-	-
			5,934,340	**2,010,784**	-	-
			17,029,640	**12,468,784**	-	-

(c) **Measurement of fair values**

Fair value hierarchy of the investment properties are as follows:

In thousands of Naira	**31 Dec 2021**	**31 Dec 2020**
Level 1	-	-
Level 2	-	-
Level 3	17,029,640	12,468,784
	17,029,640	12,468,784

Notes to the Financial Statements

(d) The Group obtained a debt facility from Vantage Capital secured by a legal mortgage on the Investment Property of the Group (See note 21)

(e) Rental income recognised in profit or loss:

In thousands of naira	31-Dec-21	31-Dec-20
Rental income (see note 5)	577,895	420,237
	577,895	**420,237**

(f) The investment property as at 31 December 2021, was valued by Jide Taiwo and Co 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 2021 (2020: N12.47 billion), 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	11,095,300	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 N805.5 million ($1,943,383) - 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%
350/360, Ikorodu road, Maryland. Lagos	663,847	Market Value Method: This method of valuation was used in arriving at the fair value, which is 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.	- The price per square meter was estimated at N246,000. - Terms of sale of 5%. -Improvement works of 15% -Market conditions of 15%
Plot 10, Ikate Elegushi, Bella Vista, Lekki Peninsula. Lagos	5,270,493	Market Value Method: This method of valuation was used in arriving at the fair value because the subject property was vacant and to let as at the date of valuation.	- The Gross development value was estimated at N11.34bn - Professional fees of 10%. -Depreciation of 1% -Developers profit of 41%

Notes to the Financial Statements

12 Property and equipment

Group
31 December 2021

In thousands of naira	Furniture and fittings	Computer and office equipment	Motor vehicle	Plant and Machinery	Total
Cost					
Balance at 1 January 2021	100,479	479,573	22,200	192,098	794,350
Additions	8,283	16,050	42,541	16,389	83,263
Balance at 31 December 2021	108,762	495,623	64,741	208,487	877,613
Accumulated depreciation					
Balance at 1 January 2021	27,929	461,797	22,200	192,097	704,023
Charge for the year	21,268	9,998	3,856	2,702	37,824
Balance at 31 December 2021	49,197	471,795	26,056	194,799	741,847
Carrying amounts					
At 31 December 2021	59,565	23,828	38,685	13,688	135,766
At 31 December 2020	72,550	17,776	(0)	1	90,327

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
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

- There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2020: Nil)
- There was no item of property and equipment that has been pledged as security for borrowings as at year end (2020: Nil)
- The Group had no capital commitments as at the date of the statement of financial position (2020: Nil).
- There were no impairment losses on any class of property and equipment during the year (2020: Nil).
- All items of PPE are non current.

Notes to the Financial Statements

13 Intangible Assets

Intangible assets include development costs, the website for the e-commerce platform of Purple Proptech Limited and Goodwill on acquisition of Alternative Capital Partners Limited by Purple Real Estate Development Company.

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.

Group

In thousands of naira	**Goodwill**	**Computer Software**	**Total**
Cost			
Balance at 1 January 2021	-	25,980	25,980
Assets acquired in business combination	-	-	-
Additions*	45,000	58,098	103,098
Balance at 31 December 2021	45,000	84,078	129,078
Balance at 1 January 2020	-	3,600	3,600
Assets acquired in business combination	-	647	647
Additions	-	21,733	21,733
Balance at 31 December 2020	-	25,980	25,980
Accumulated amortization and impairment			
Balance at 1 January 2021	-	-	-
Charge for the year	-	(1,180)	(1,180)
Impairment of software development cost	-	-	-
Balance at 31 December 2021	-	(1,180)	(1,180)
Balance at 1 January 2020	-	-	-
Charge for the year	-	-	-
Impairment of software development cost	-	(3,600)	(3,600)
Balance at 31 December 2020	-	(3,600)	(3,600)
Carrying amounts			
At 31 December 2021	45,000	82,898	127,898
At 31 December 2020	-	22,380	22,380

* Goodwill at cost represents the goodwill acquired through business combinations of Alternative Capital Partners Limited by Purple Real Estate Development Company during the year.

During the year, PREDO acquired 100% of the shares in Alternative Capital Partners (ACAP) on the 30 December 2021 - an entity which makes equity and quasi-equity investments in select real estate, hospitality, fast moving consumer goods, infrastructure, oil & gas sectors, as well as corporate institutions.. The purpose was to change the name of the ACAP to Purple Asset Managers and utilise the license within ACAP to become a REICO.

Notes to the Financial Statements

For the year ended 31 December 2021

14 Investment in subsidiary

(a) Company

In thousands of Naira	Ownership Interest	31-Dec-21	31-Dec-20
Maryland Mall Limited (See (i) below)	100.00%	2,258,716	1,916,764
Lekki Retailtainment Limited (See (ii) below)	100.00%	123,500	1,000
Purple Real Estate Development Company Limited (See (iii) below)	100.00%	240,486	90,486
Purple Proptech Limited (See (iv) below)	100.00%	9,169	36,613
Total		2,631,871	2,044,863

(i) The principal activities of Maryland Mall Limited include purchase, lease, development and management of estate properties (basically, the maryland shopping mall) to generate income.
During the year, the Company increased its investment in the shares of Maryland Mall Limited through and additional deposit of for shares of N341.95m.
The increase in shares during the year is still subject to regulatory approvals.

(ii) Purple Real Estate Development Company is a Group entity with two subsidiaries namely (Purple Urban Limited and Alternative Capital Partners Limited). The principal activity of Purple Real Estate Development Company includes the development of commercial real estate development with the aim of outright sale of the properties to meet the needs of individiual and coporate bodies.
During the year, the Company increased its investment in the shares of Purple Real Estate Development Company through an additional deposit of for shares of N150m
The increase in shares during the year is still subject to regulatory approvals.

(iii) The principal activity of Lekki Retailtainment Limited include purchase, lease, development and management of estate properties for outright sale and to generate real estate income.
During the year, the Company increased its investment in the shares of Lekki Retailtainment Limited through and additional deposit of for shares of N122.5m.
The increase in shares during the year is still subject to regulatory approvals.

(iv) The principal activities of the company include carrying on activities relating to the provision of electronic commerce services to Vendors; selling, transporting, promoting, marketing, supplying, and dealing in any manner, in all types of goods produced or offered for sale by the vendors.
During the year, the Company increased its investment in the shares of Purple Proptech Limited through and additional deposit of for shares of N80.6m.
The increase in shares during the year is still subject to regulatory approvals.

The movement of investment in subsidiary is as analysed below:

In thousands of Naira	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	2,044,863	1,917,764
Additions - PREDCO	-	90,486
Additions - Purple Proptech Limited	-	36,613
Additional investment in existing subsidiaries	695,080	-
Impairment of Investment in Proptech (See note 10)	(108,071)	
Balance, end of the year	2,631,871	2,044,863

(b) Condensed results of consolidated entities

31 December 2021

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	2,003,600	(653,310)	483,205	620,697	1,183,188	371,785	(1,965)
Fair value gain/(loss) on investment properties	1,009,610	-	-	376,340	633,270	-	-
Finance cost	(711,628)	-	-	-	(711,628)	-	-
Operating expenses	(1,080,170)	103,203	(15,829)	(6,858)	(681,484)	(381,174)	(98,028)
Impairment loss	294,459	355,848	(205,258)	(416)	(14,708)	158,993	-
Profit before taxation	1,515,871	(194,259)	262,118	989,763	408,638	149,604	(99,993)
Taxation	(201,759)	-	(115)	(178,999)	(2,979)	(19,666)	-
Profit for the year after taxation	1,314,112	(194,259)	262,003	810,764	405,659	129,938	(99,993)

Notes to the Financial Statements

For the year ended 31 December 2021

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	17,029,640	-	-	5,270,493	11,095,300	663,847	-
Property and equipment	135,766	-	-	-	73,331	50,778	11,657
Intangible assets and goodwill	127,898	-	-	-	18,510	3,974	60,414
Investment in subsidiary	-	(2,631,871)	2,631,871	-	-	-	-
Trading properties	6,843,346	-	-	1,977,736	-	4,865,610	-
Account receivable	159,681	-	-	-	108,975	50,706	-
Other asset	79,799	(4,739,993)	4,011,989	-	707,333	99,664	806
Investment securities	77,469	-	77,469	-	-	-	-
Cash and cash equivalents	1,964,370	-	8,749	793,273	392,138	769,745	465
Total assets	26,417,969	(7,371,864)	6,730,078	8,041,502	12,395,587	6,504,324	73,342
Equity and Liabilities							
Ordinary Share capital	1,293,970	(13,000)	1,293,970	1,000	10,000	1,000	1,000
Preference Share capital	-	(10)	-	-	10	-	-
Share premium	625,628	(2,056,764)	625,628	-	1,906,764	150,000	-
Accumulated Surplus/(deficit)	5,956,978	369,727	575,485	(358,465)	4,824,689	857,525	(9,024)
Fair value reserves	-	-	-	-	-	-	-
Deposit for shares	1,125,378	-	1,125,378	-	-	-	-
Non-controlling interest	(4,687)	-	-	-	-	-	-
Borrowing	15,575,749	-	3,027,884	1,715,579	5,052,526	5,779,761	-
Current tax liabilities	356,654	-	6,860	114,754	85,952	146,129	-
Deferred revenue-deposits from customers	281,865	-		281,865	-	-	-
Other Liabilities	1,206,433	(5,239,990)	74,873	5,305,051	408,626	293,442	64,432
Total equity and liabilities	26,417,968	(6,940,038)	6,730,078	7,059,784	12,288,568	7,227,857	56,408

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	940,515	421,901	-
Fair value loss on investment properties	(953,461)	-	-	-	(953,461)	-	-
Finance cost	(1,153,816)	-	-	-	(1,138,007)	(15,809)	-
Operating expenses	(765,420)	155,658	(5,895)	(70,544)	(632,654)	(202,583)	(9,402)
Impairment loss	63,695	135,588	(129,798)	-	75,956	(18,051)	-
Loss before taxation	(1,864,829)	(137,951)	(126,953)	(68,330)	(1,707,651)	185,458	(9,402)
Taxation	(68,926)	-	-	-	(2,022)	(66,904)	-
Loss for the year after taxation	(1,933,755)	(137,951)	(126,953)	(68,330)	(1,709,673)	118,554	(9,402)

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	12,468,784	(170,062)	-		2,180,846	10,458,000	-	-
Property and equipment	90,327	-	-		-	81,887	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	358,598	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)	19,000		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

Notes to the Financial Statements

For the year ended 31 December 2021

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 multi-purpose development project as at 31 December 2021. The cost is split between land and building as follows:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Land (See (i) below)	4,033,230	675,188	-	-
Building (work-in-progress) (See (ii) below)	2,810,116	517,237	-	-
	6,843,346	1,192,425	-	-

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

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	1,192,425	-	-	-
Cost capitalized	2,377,876	341,662	-	-
Interest capitalized on borrowings	660,893	175,575	-	-
Disposals	(745,890)	-	-	-
Acqusition of Land	3,358,042	675,188	-	-
Balance at the end of the year	6,843,346	1,192,425	-	-

	Category	Description	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
		In thousands of Naira				
(i)	Land	This represents the cost of 10,200 sqm of land situated at Freedom way, Ikate Elegushi area of lekki, purchased by the Lekki Retailtainment Limited for the purpose of developing a residential estate known as Purple Lekki.	444,394	-	-	-
	Land	This represents the cost of 4,124 sqm of bare land situated at No. 350, Ikorodu Road, by Idiroko bus stop, Maryland. This property was purchased by Purple Real Estate Development Company.	1,026,281	675,188	-	-
	Land	This represents the cost of 14,000sqm of bare land situated at Bella Estate, Ikate Elegushi area of Lekki. This property was purchased by Purple Urban Limited.	3,839,329	-	-	-
			5,310,004	**675,188**	-	
(ii)	Building (work-in-progress)	This represents the cost of an on-going all-new state of the art mixed property partly on eight floors called Purple Lekki, which is located at Freedom way, Ikate Elegushi area of lekki and is being developed by Lekki Retailtainment Limited.	1,533,342	517,237	-	-
			1,533,342	**517,237**	-	-
			6,843,346	**1,192,425**	-	-

16 Account receivable

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Financial assets:				
Receivables on service charge and utilities	75,406	57,924	-	-
Receivables on customers lease rental	40,457	77,276	-	-
Account/Fee Receivable	30,180	15,010	-	-
Receivables on adverts	32,916	13,266	-	-
Ojodu Mall Project receivables	-	33,583	-	-
Bishopsgate project receivables	-	31,924	-	-
Maple Mews Project receivables	-	1,016	-	-
Redworth Terraces receivables	-	19	-	-
Maryland Macros receivable	-	2,915	-	-
	178,959	232,933	-	-
Impairment allowance on financial assets (See note 16 (a))	(19,278)	(64,948)	-	-
Total - financial assets	159,681	167,985	-	-
Non-financial assets:				
WHT Receivables	25,186	25,260	-	-
Impairment allowance on non financial assets	(25,186)	(25,260)	-	-
Total - Non financial assets	-	-	-	-
Account receivables (financial and non financial assets)	**159,681**	**167,985**	-	-

Notes to the Financial Statements

For the year ended 31 December 2021

(a) Movement in impairment allowance on account receivables

31-Dec-21

	12 months ECL	Lifetime ECL	Total
Balance at 1 January	7,008	83,200	90,208
Write-back during the year		(83,200)	(83,200)
Impairment loss on financial assets	12,270	-	12,270
	19,278	-	19,278
Impairment loss on non-financial assets (see note 10)	-	25,186	25,186
Balance at 31 December	19,278	25,186	44,464

31-Dec-20

	12 months ECL	Lifetime ECL	Total
Balance at 1 January	1,034	4,118	5,152
Impairment acquired (See note 16 (b))	5,974	34,618	40,592
Impairment loss on financial assets (see note 10)	-	19,204	19,204
	7,008	57,940	64,948
Impairment loss on non-financial assets (see note 10)	-	25,260	25,260
Balance at 31 December	7,008	83,200	90,208

17 Other asset

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Due from Purple Capital Partners (see(i) below)	-	483,750	-	-
Due from Purple Retail Limited (see(i) below)	199,166	1,126,467	196,706	370,500
Due from Lekki Retailtainment Limited	-	-	4,010,663	88,149
Due from Purple Real Estate Development Limited	-	-	30,859	8,740
Due from Purple Capital Holdings Limited	-	424,500	-	-
Prepayments	42,130	15,479	-	-
	241,296	2,050,196	4,238,228	467,389
Impairment allowance on other receivables (see (ii) below)	(161,497)	(432,517)	(226,240)	(129,798)
	79,799	1,617,679	4,011,989	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-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Opening Balance	432,517	379,303	129,798	-
Impairment acquired on business combination		140,298	-	-
Impairment (write-back)/charge (see note 10(i))	(271,020)	(111,440)	96,442	129,798
	161,497	432,517	226,240	129,798

18 Investment securities

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Managed funds	-	108,135	-	-
Investment in unquoted equities - V8 Capital Partners Limited	77,469	42,794	77,469	42,794
	77,469	150,929	77,469	42,794

19 Cash and cash equivalents

(a) *In thousands of Naira*	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Cash in hand		-	-	-
Balances with banks	78,126	8,357	8,749	2,023
Placements	1,858,549	-	-	-
Money market funds	50,000	50,367	-	-
Cash and cash equivalent for cash flow statement	1,986,675	58,724	8,749	2,023
Impairment allowance on cash equivalents	(22,305)	(272)	-	-
Net cash equivalents	1,964,370	58,452	8,749	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.

(b) Movement in impairment allowance on cash equivalents

In thousands of Naira	12 months ECL Allowance 31-Dec-21	31-Dec-20
Balance at 1 January	-	319
Net measurement of loss allowance (see note 9)	22,305	(319)
Balance at 31 December	22,305	-

Notes to the Financial Statements

For the year ended 31 December 2021

20 Share capital and share premium

(a) 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 2,587,940,000 ordinary shares of N0.50 each. Amounts in excess of N0.50 per share is recognised in share premium as at 31 December 2021.

The Company had an opening balance of 19,000,000 ordinary share capital of N1 each owned by Purple retail limited and Purple retail managers limited. During the year, the shares of Purple retail limited were split into two to reflect the new share price at 50Kobo/share from the increase of shares approved by the CAC. After the split, the company issued a total of 2,436,562 shares to 42 new shareholders during the year at a par value of 50Kobo per share but the shares were paid for at a premium of N2.25 per share (see note (20b)).

The Company made a right issue of bonus shares to all the share holders of the company twice during the year. First, it issued an additional bonus of 15 share to every 1 share owned by it's share holders. (i.e. 15:1). This increased the total number of shares to 646,984,976. The company further issued an additional bonus shares of 3 shares to every 1 share owned by it's share holders (i.e. 3:1). This further increased the total number of shares to 2,587,939,904. This was equal to the maximum number of shares approved by CAC.

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Authorised:				
2,587,940,000 ordinary shares of N0.50 each (2020: 19,000,000 ordinary shares at N1 each)	1,293,970	19,000	1,293,970	19,000
Issued and fully-paid:				
2,587,940,000 ordinary shares of N0.50 each (2020: 19,000,000 ordinary shares at N1 each)	1,293,970	19,000	1,293,970	19,000

(b) Share premium

The cost of the bonus issue amounting to N 1,273,751,735 was taken out of share premium during the year. Furthermore the 2,436,562 new shares issued to the 42 new shareholders were paid for at a price of N2.25 per share which resulted in an additional share premium of N524,386,404. (see note (20a))

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	625,628	1,374,993	625,628	1,374,993
Balance, end of the year	625,628	1,374,993	625,628	1,374,993

(c) Retained earnings

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	4,637,669	6,489,678	455,819	501,026
Profit/(loss) for the year	1,314,112	(1,933,755)	262,003	(126,953)
Transactions between owners of subsidiary recognised directly in equity (See Note 14(a))	-	90,486	-	90,486
Dividend declared from retained earnings	-	(8,740)	(142,337)	(8,740)
Loss for the year attributable to and transferred to NCI (see (f) below)	5,197	-	-	-
	5,956,978	4,637,669	575,485	455,819

Retained earnings represents undistributed profits attributable to shareholders

(d) Fair value reserves

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance beginning of year	-	-	-	-
Fair value gains on managed funds	8,135	8,135	-	-
Balance end of year	8,135	8,135	-	-

(e) Prepaid share capital reserves

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance beginning of year	503,603	-	503,603	-
Deposit for shares	624,274	526,225	624,274	526,225
Share issue costs	(2,499)	(22,622)	(2,499)	(22,622)
Balance end of year	1,125,378	503,603	1,125,378	503,603

(f) Non-controlling interest

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-20	Company 31-Dec-19
Balance, beginning of the year	-	10	-	-
Transfer of non-controlling interest to equity	510	-	-	-
Loss during the year attributable to non-controlling interest (See note (i) below)	(5,197)	-	-	-
	(4,687)	10	-	-

play

Notes to the Financial Statements

For the year ended 31 December 2021

Analysis of NCI in Purple Urban Limited (Indirect Subsidiary)

(i)	NCI Percentage	51%
	Non-current assets	4,414,807
	Current assets	836,104
	Non-current liabilities	-
	Current liabilities	(5,260,102)
	Net liabilties	(9,191)
	Net liabilities attributable to NCI	(4,687)
	Revenue	21,952
	Profit	(10,191)
	OCI	-
	Total comprehensive income	(10,191)
	Loss allocated to NCI	(5,197)
	OCI allocated to NCI	-

21 Borrowing

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Vantage Capital Loan (see note (i) below)	5,052,526	5,601,251	-	-
Lucid/Astra (see note (ii) below)	1,332,718	1,739,770	-	-
CitiHomes Finance Company (see note (iii) below)	403,021	382,500	-	-
CardinalStone Partners (see note (iv) below)	503,000	382,500	-	-
Bank of Industry Loan (see note (v) below)	3,027,884	-	3,027,884	-
Sukuk Bond (see note (vi) below)	5,256,601	-	-	-
	15,575,749	8,106,021	3,027,884	-

	Counterparty	Type	Purpose	Interest rate	Security	Currency	Maturity date	Restructured /new/existing/ matured	Updates
i)	Vantage Capital	Term loan	To refinance the debt facilities incurred by Maryland Mall Limited from from the construction of the Maryland Mall.	11.50%	Secured with a legal mortgage on the Group's asset, Maryland Mall building.	USD	2-Nov-22	Existing	Not applicable
ii)	Lucid/Astra	Term loan	Facilitate purchase of Investment Property	25%	Unsecured	NGN	8-Oct-22	Restructured 07 October 2021	Oustanding principal and interest as at 07 October 2021 was rolled forward for an additional one year tenor at an interest rate of 25%.
iii)	Citihomes Finance Company	Term loan	Facilitate purchase of Investment Property	17%		NGN	28-Feb-21	Matured	Not applicable
iv)	Cardinal stone Partners	Senior secured private company bond	Purchase of demised property on which project is to be developed by Purple Real Estate Development Company.	19.50%	Secured against the net issuance of equity of PurpleHoldco and the sale of residential units in the Lekki mall.	NGN	19-Mar-22	New	Not applicable
v)	Bank of Industry	Term loan	Construction of state of the art mixed property (Purple Lekki) by Lekki Retailtainment Limited.	8%	Secured by bank guarnatee of the loan and accruing interest on a continous basis by Keystone bank.	NGN	29-Jul-28	New	Not applicable
vi)	Sukuk Bond	Bond	Facilitate completion of WIP Investment Property by Purple Urban Limited.	18%	Secured with a legal mortgage on the Group's asset, Purple Urban Land.	NGN	1-Mar-26	New	Not applicable

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

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	8,106,021	4,797,768	-	-
Additions	8,653,680	2,667,355	3,000,000	-
Exchange loss (see note 7)	42,353	392,886	-	-
Interest accrued	669,275	760,930	189,901	-
Modification gains	-	(131,811)	-	-
Interest capitalised as borrowing cost	425,632	271,575	7,500	-
Interest repayments during the year	(728,041)	(270,182)	(169,517)	-
Principal repayment of borrowing	(1,593,170)	(382,500)	-	-
	15,575,749	8,106,021	3,027,884	-

Notes to the Financial Statements

For the year ended 31 December 2021

(c) The borrowings have been classified as follows:

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Long term borrowings				
Bank of Industry Loan	3,027,884	-	3,027,884	-
Sukuk Bond	5,256,601	-	-	-
	8,284,485	-	3,027,884	-
Short term borrowings				
Vantage Capital Loan	5,052,526	5,601,251	-	-
Lucid/Astra	1,332,718	1,739,770	-	-
CitiHomes Finance Company	403,021	382,500	-	-
CardinalStone Partners	503,000	382,500	-	-
	7,291,265	8,106,021	-	-
	15,575,749	8,106,021	3,027,884	-

22 **Taxation**

(a) **Tax expense**

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
i *Minimum Tax*				
Minimum Tax	3,061	-	102	-
ii *Current Tax*				
Income tax expense	180,841	61,709	-	-
Tertiary education tax	17,767	4,134	-	-
NITDA	-	-	-	-
Nigerian police trust fund levy	90	6	13	-
NASENI Levy	-	3,077	-	-
	198,698	68,926	13	-
Total income tax expense	201,759	68,926	115	-

(b) **Reconciliation of effective tax rate**

In thousands of naira	GROUP				COMPANY			
		31-Dec-21		31-Dec-20		31-Dec-21		31-Dec-20
Profit/(loss) before taxation	%	1,515,871	%	(1,933,755)	%	262,118	%	(126,953)
Income tax using the statutory tax rate	30%	454,761	30%	(580,127)	30%	78,636	30%	(38,086)
Adjusted for:								
Non-deductible expenses	19%	285,955	(16%)	307,669	24%	62,362	(30%)	38,086
Tax exempt income	(52%)	(785,493)	0%	(939)	(55%)	(143,104)	0%	-
Tertiary education tax	1%	17,767	(0%)	4,134	0%	-	0%	-
Nigerian Police Trust Fund Levy	0%		(0%)	6	0%	13	0%	-
NASENI Levy	0%		(0%)	3,077	0%	-	0%	-
NITDA Levy	0%		(0%)	-	0%	-	0%	-
Unrecognized tax losses	1%	20,255	(0%)	-	1%	2,106	0%	-
Unutilised capital allowance	2%	24,612	0%	(309)	0%	-	0%	-
Impact of timing difference	0%		(10%)	-	0%	-	0%	-
Company Income Tax	12%	180,841	0%	-	0%	-	0%	-
Minimum Tax	0%	3,061	0%	-	0%	102	0%	-
Tax incentive	0%		(10%)	194,742	0%	-	0%	-
	13%	201,759	4%	68,926	0%	115	0%	-

(c) **Unrecognised deferred tax assets**

The Company had unrecognised deferred tax of N72.5m for the year ended 31 December 2021 (31 December 2020: Nil).

The Group however had deferred tax asset amounting to N1.01billion, 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 2020: N596m). The analysis of unrecognised deferred tax is as follows:

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Unutilised capital allowance	485,465	595,716	-	-
Property, plant and equipment	28,255	-	-	-
Loss carried forward	458,295	-	-	-
Expected credit loss	33,789	-	-	-
	1,005,804	595,716	-	-

Notes to the Financial Statements

For the year ended 31 December 2021

(d) Current tax liabilities

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

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	154,895	6,745	6,745	6,745
Acquired tax liability	-	79,224	-	-
Charge for the year				
- Income tax for the year	201,759	68,926	115	-
	356,654	154,895	6,860	6,745

23 Other liabilities

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Financial liabilities:				
Sundry creditors	36,347	45,843	-	-
Unearned income	134,150	138,364	-	-
Fees and Account payable	521,370	2,839	-	-
Dividend payable	-	8,740	-	-
Payable to related companies (see (i) below)	254,454	597,732	37,892	63,111
Accrued audit fees	39,588	18,600	5,440	4,000
	985,909	812,118	43,332	67,111
Non-financial liabilities:				
VAT payable	120,708	101,061		-
Withholding Tax Payable	99,816	84,851	31,541	-
	220,524	185,912	31,541	-
TOTAL	1,206,433	998,030	74,873	67,111

(i) Payable to related companies mainly relates to amount payable to Purple Capital Partners Limited and Purple Retail Managers Limited (N254.4m) in respect of the multi-purpose property under construction in Lekki Retailtainment Limited.

24 Deferred revenue- deposit from customers

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Deposits for customers (see (i) below)	281,865	700,871	-	-
	281,865	700,871	-	-

(i) Deposits for customers represents advance instalments received from clients for purchased homes in Purple Lekki. Rental deposits are recognized as liabilities until the Group performs its promised obligations stated in the agreements with the customers after which revenue is recognized.

25 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.

Notes to the Financial Statements

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 its 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 counterparties.

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.

Notes to the Financial Statements

For the year ended 31 December 2021

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 2021

In thousands of naira	Note	Carrying Amount (Gross)	12 months ECL Allowance	Lifetime ECL Allowance	Carrying Amount (Net)
Cash and cash equivalents	19	1,986,675	(22,305)	-	1,964,370
Account receivables*	16	178,959	-	(19,278)	159,681
Other asset	17	241,296	-	(161,497)	79,799
		2,406,930	(22,305)	(180,775)	2,203,850

Group
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	19	792,718	-	-	792,718
Account receivables*	16	232,933	-	(64,948)	167,985
Other asset	17	2,050,196	-	(432,517)	1,617,679
		3,075,847	-	(497,465)	2,578,382

**Amounts reported exclude non financial assets*

Cash and Cash equivalents

The Group held cash and cash equivalents of N1.99 billion as at 31 December 2021. The cash and cash equivalents consist of N1.04 billion call deposit with Stanbic IBTC Bank Plc, 819.8 million call deposits in Jaiz, EAC and Money Market funds, N82.6 million cash in Stanbic IBTC Bank Plc, N3.3 million in keystone Bank and N41 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.

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.

Notes to the Financial Statements

(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 2021 *In thousands of naira*	Note	Carrying amount ₦'000	Contractual cash flows ₦'000	6 months or less ₦'000	6-12 months ₦'000	Over 1 year ₦'000
Financial assets						
Cash and cash equivalents	19	1,964,370	1,964,370	1,964,370	-	-
Other receivables	16	159,681	159,681	159,681	-	-
Total financial assets		2,124,051	2,124,051	2,124,051	-	-
Financial liabilities						
Other liabilities	23	985,909	783,196	305,485	45,999	431,712
Borrowing	21	15,575,749	16,552,450	1,045,999	1,572,345	13,934,106
Total financial liabilities		16,561,659	17,335,646	1,351,484	1,618,344	14,365,818
Gap (Asset - Liabilities)			(15,211,595)	772,567	(1,618,344)	(14,365,818)
Cumulative liquidity gap			(15,211,595)	772,567	(845,777)	(15,211,595)

31 December 2020 *In thousands of naira*	Note	Carrying amount ₦'000	Contractual cash flows ₦'000	6 months or less ₦'000	6-12 months ₦'000	Over 1 year ₦'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
Borrowings	21	8,106,021	9,165,571	716,591	1,053,833	7,395,147
		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)

Notes to the Financial Statements

Company

31 December 2021 *In thousands of naira*	Note	Carrying amount ₦'000	Contractual cash flows ₦'000	6 months or less ₦'000	6-12 months ₦'000	Over 1 year ₦'000
Financial assets						
Cash and cash equivalents	19	8,749	8,749	8,749	-	-
		8,749	8,749	8,749	-	-
Financial Liabilities						
Other liabilities	23	74,873	74,873	4,600	-	70,273
Borrowings	21	3,027,884	3,895,225	425,585	1,025,495	2,444,145
		74,873	3,970,098	430,185	1,025,495	2,514,418
Gap (Asset - Liabilities)			(3,961,349)	(421,436)	(1,025,495)	(2,514,418)
Cumulative liquidity gap			(3,961,349)	(421,436)	(1,446,931)	(3,961,349)

31 December 2020 *In thousands of naira*	Note	Carrying amount ₦'000	Contractual cash flows ₦'000	6 months or less ₦'000	6-12 months ₦'000	Over 1 year ₦'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)

(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.

Notes to the Financial Statements

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

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	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	515	551	-	-
	515	551	-	-
Financial liabilities				
Rental deposit	-	-	-	-
Borrowings	(5,052,526)	(8,106,021)	-	-
Net exposure	(5,052,011)	(8,105,470)	-	-

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-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Increase in currency rate by 5%	(252,601)	(405,274)	-	-
Decrease in currency rate by 5%	252,601	405,274	-	-

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

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
	₦	₦		
USD $ 1	424.11	400.33	-	-

(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-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Interest bearing assets:					
Placements	19	1,858,549	353,967	-	-
Money Market funds	19	50,000	413,127	-	-
		1,908,549	767,094	-	-
Interest bearing liabilities:					
Borrowings	21	15,575,749	8,106,021	-	-
Net interest bearing assets		(13,667,200)	(7,338,927)	-	-

Sensitivity of net projected interest income

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Increase in interest rate by 1%	(136,672)	(73,389)	-	-
Decrease in interest rate by 1%	136,672	73,389	-	-

Notes to the Financial Statements

For the year ended 31 December 2021

26 Use of estimates and judgments

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

26.1 Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

26.1.1 Valuation of investment property

Investment property is measured at fair value in line with the Group's accounting policy disclosed in note 11. The Group's investment property is valued at each reporting date by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment property valued. For all investment property, their current use equates to the highest and best use. Management reviews the valuations performed by the independent valuers for financial reporting purposes.

Discussions of valuation processes and results are also held with the independent valuers to:
- verify all major inputs to the independent valuation report;
- assess property valuation move,ments when compared to the prior year valuation report.
Further details of the judgements and assumptions made in the valuation of investment property are disclosed in note 11.

26.1.2 Estimation of net realisable value for trading property

At year end, the Group holds trading property with a carrying value of N3biliion (2020: N1.19billion). Trading properties are stated at the lower of cost and net realisable value (NRV). NRV for completed trading property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of trading property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction, estimated costs to complete construction and an estimate of the time value of money to the date of completion.

26.1.3 Measurement of progress when revenue is recognised over time

For those contracts involving the sale of property under development that meet the over time criteria of revenue recognition, the Group's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the property. The Group generally uses the costs incurred method as a measure of progress for its contracts because it best depicts the Group's performance.

Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the Group excludes the effect of those costs. Also, the Group adjusts the input method for any cost incurred that are not proportionate to the Group's progress in satisfying the performance obligation. Further details on revenue are disclosed in Note 5.

Notes to the Financial Statements

26.1.4 Deferred taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on deferred taxes are disclosed in Note 22.

26.1.5 ECL impairment for expected credit losses of trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period for individual and corporate customers respectively.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable and contract assets for which no loss allowance is recognised because of collateral.

26.2 Judgements

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

26.2.1 Consideration of significant financing component in a contract

For some contracts involving the sale of property, the Group is entitled to receive an initial deposit. The Group concluded that this is not considered a significant financing component because it is for reasons other than the provision of financing to the Group.

The initial deposits are used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

26.2.2 Principal versus agent considerations – services to tenants

The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor, to be provided by third parties. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them.

In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services.

Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

Notes to the Financial Statements

26.2.3 *Classification of property*

The Group determines whether a property is classified as investment property or trading property (inventory). Investment property comprises land that is not for sale in the ordinary course of business, but are held primarily to earn capital appreciation. Trading properties comprises properties that are held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

Management has classified the land bank (Segment F) held by Purple Real Estate Develoment Company Limited as investment property because it is held for an undetermined future and is subject to capital appreciation.

26.2.4 *Determination of control over investees*

Although the Group owns 49% of Purple Urban Limited (an indirect subsidiary consolidated in PREDCO), management has determined that the Group controls this entity.The Group controls Purple Urban Limited by virtue of an agreement with its other shareholder via a declaration of Trust deed.

The Group also has more than half of the voting power in the investee and can exercise their rights to influence decision making of the entity.

26.2.5 *Determining the timing of revenue recognition on trading property under development*

The Group applied judgment in meeting the following criteria under its revenue recognition policy on trading property under development:

• A clause that restricts the Group from redirecting the properties to another customer is included in the contract letter to justify a practical limitation on the Group's ability to readily direct the asset to another customer.

•Deposits made is non-refundable unless the Group fails to pay as promised.

• A clause that gives te Group an enforceable right to payment for the percentage completed if the contract were to be terminated at the instance of the customer is included in the contract. This is considered in the light of legal practices and processes in determining whether the Group can enforce payment when construction is yet to complete.

•The Group is entitled to retain any progress payments received from the customer in case of termination. The Group also has further rights to compensation from the customer for any additional payments necessary to compensate the Group for the performance to date.

Notes to the Financial Statements

27 **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 2021

	Notes	Carrying amount			Fair value			
In thousands of Nigerian Naira		Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets:								
Cash and cash equivalents	19	78,126	-	78,126	78,126	-	-	78,126
Account receivable	16	-	-	-	-	-	-	-
Other receivable	17	241,296	-	241,296	241,296	-	-	241,296
		319,422	-	319,422	319,422	-	-	319,422
Financial liabilities:								
Other liabilities	23	-	985,909	985,909	-	985,909	-	985,909
Borrowings	21	-	15,575,749	15,575,749	-	15,575,749	-	15,575,749
		-	16,561,659	16,561,659	-	16,561,659	-	16,561,659

31 December 2020

	Notes	Carrying amount			Fair value			
In thousands of Nigerian Naira		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	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 not measured at fair value:								
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

28 **Non-controlling interest**

Non-controlling interest is attributable to:

In thousands of Naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Network Hotels Limited	-	(9)	-	-
Purple Retail Limited (BVI)	-	(1)	-	-
EAC Limited	(510)	-	-	-
Purple Urban Limited	(510)	(10)	-	-

Notes to the Financial Statements

29 Contingencies

(a) Pending litigation and claims

As at 31 December 2021, 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 (2020: 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 th Group, have been taken into consideration in the preparation of these financial statements.

30 Group entities

Significant subsidiaries

In thousands of Naira	Nature of business	Financial year end	Investment in Subsidiaries 31-Dec-2021	Investment in Subsidiaries 31-Dec-2020	Ownership interest 31-Dec-2021	Ownership interest 31-Dec-2020
Maryland Mall Limited	Real estate management and development	31 December	2,258,716	1,916,764	100.00%	100.00%
Lekki Retailtainment Limited	Real estate management and development	31 December	123,500	1,000	100.00%	100.00%
Purple Real Estate Development Company Limited	Real estate management and development	31 December	240,486	90,485	100.00%	100.00%
Purple Proptech Limited	E-commerce (Technology Platform)	31 December	9,169	36,613	100.00%	100.00%

31 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 i making financial and operational decisions, or one other party controls both. From the Group's perspective, this definition includes ke 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	Subsidiary company
Purple Proptech Limited	Subsidiary company
Lucid/Astra	Sister company

Notes to the Financial Statements

32 Events after the reporting period

'(1) The Finance Act was signed into Law on 31 December, 2021, with an effective date of 1 January, 2022. The signing into law of the Finance bill on 31 December 2021 qualifies as an adjusting event as the bill had been in existence at the end of the financial year. In view of this development, the company has reviewed the provisions of the Act and have made appropriate adjustments to the financial estimates disclosed in the Financial statement in line with the relevant provisions of the Finance Act.

(2) In March 2022, PREIL merged with its subsidiary, PREDCO, through a Scheme of Merger.

(3) Following board resolution, PREIL is pursuing registration as a as a Real Estate Company (REICO) with the SEC Nigeria in order to convert it to a Public Liability Company (PLC).

(4) Following board resolution, PREIL as the Sponsor, plans to issue a Bond through a special purpose vehicle to Qualified Institutional Investors. The Proposed issuance is for up to N20billion Series 1 Bond Notes under a N50billion Bond programme subject to regulatory approvals.

(5) Following board resolution, PREIL plans to register a N20billion Initial Public Offering ("the Offer") by making its shares available to the public under a N50billion Equity programme to be registered with SEC transaction subject to regulatory approvals.

(6) PREIL, as part of its long term proptech and fintech plans invested N125,000,000 in Purplemoney Microfinance Bank Limited.

(7) The Equity and Bond programmes are to enable PREIL continuously raise capital for its development and acquisition plans into the future.

(8) PREIL, as part of its plans to register as a REICO had acquired Alternative Capital Partners Limited and changed its name to Purple Asset Managers Limited.

(9) Furthermore, PREIL through its now merged subsidiary, PREDCO made applications to SEC for a property management license and as PREIL also submitted an application to register as a REICO with SEC.

(10) As at the date of completion of the audit, the processing of the applications for asset management and property management licenses as well as REICO approval are ongoing with SEC. The intention is to secure the necessary regulatory licenses and approval alongside the aforementioned capital raise.

(11) The Board approved to set aside 139,743,358 ordinary shares of 50kobo as an option for management to take up on or before 31st December 2022.

33 Reconciliation of statement of cash flow

(a) Investment property

In thousands of naira	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance at start of the year	11	12,468,784	11,490,000	-	-
Balance at end of the year	11	(17,029,640)	(12,468,784)	-	-
Fair value changes in investment property	6(b)	1,009,610	-		
Non-cash interest capitalised		207,277	96,000	-	-
Net cash outflow		(3,343,969)	(882,784)	-	-

(b) Account receivable

In thousands of naira	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance at start of the year	16	167,985	149,260	-	-
Balance at end of the year	16	(159,681)	(167,985)	-	-
Impairment allowance - WHT	9	25,186	25,260	-	-
Impairment allowance - Account Receivable	9	(70,930)	19,204	-	-
Net cash outflow		54,048	(63,189)	-	-

Notes to the Financial Statements

(c) Investment securities

In thousands of naira	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance at start of the year	18	(150,929)	-	42,794	-
Balance at end of the year	18	(77,469)	(150,929)	-	-
Fair value changes	18	34,675	-	34,675	-
Net cash outflow		(108,135)	(150,929)	-	-

(d) Other liabilities

In thousands of naira	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance at start of the year	23	(1,698,901)	(480,567)	(67,111)	(16,000)
Balance at end of the year	23	1,488,298	1,698,901	74,873	67,111
Net cash outflow		(210,603)	1,218,334	7,762	51,111

(e) Other assets

In thousands of naira	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance at start of the year	17	2,050,196	1,747,467	467,389	-
Balance at end of the year	17	(241,296)	(2,050,196)	(4,342,911)	467,389
Change in other assets		1,808,900	(302,729)	(4,075,884)	(467,389)
				-	-

(f) Trading properties under development

In thousands of naira	Note	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance at start of the year	15	1,192,425	-	-	-
Non cash interest capitalised		660,893	175,575	-	-
Net cash outflow		4,990,028	1,016,850	-	-
Balance at end of the year	15	6,843,346	1,192,425	-	-

(g) Dividend Paid

In thousands of naira		Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Interim dividend received from PREDCO		142,337	-	142,337	
Dividend received from PREDCO and LRL		300,000	-	300,000	
Dividend paid to shareholders	20(c)	-	(8,740)	(142,337)	(8,740)

34 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. (2020: Nil).

(i) Future minimum lease payment

At 31 December 2021, The future aggregate minimum rentals receivable under non-cancellable operating leases are as follow:

In thousands of naira	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Less than one year	-	-	-	-
Between one and five years	2,815,744	2,711,367	-	-
More than five years	-	-	-	-
	2,815,744	2,711,367	-	-

Other National Disclosure

Other National Disclosures
Value Added Statement
For the year ended 31 December

Group

In thousands of naira	**2021**	**%**	**2020**	**%**
Gross earnings	1,183,188	53%	944,173	-133%
Bought-in-materials and services - local	1,044,311	47%	(1,655,186)	233%
	2,227,499	100%	(711,013)	100%
Distribution of Value added:				
To Government:				
Taxation	201,759	9%	68,926	-10%
To providers of finance				
Interest expense	711,628	32%	1,153,816	-162%
Retained in the Business:				
To deplete reserves	1,314,112	59%	(1,933,755)	272%
Value added	2,227,499	100%	(711,013)	100%

Other National Disclosure

Other National Disclosures
Value Added Statement
For the year ended 31 December

Company

In thousands of naira	**2021**	**%**	**2020**	**%**
Gross earnings	483,205	184%	8,740	-7%
Bought-in-materials and services - local	(221,087)	-84%	(135,693)	107%
	262,118	100%	(126,953)	100%
Distribution of Value eroded:				
To Government:				
Taxation	115	0%	-	0%
To providers of finance				
Interest expense	-	0%	-	0%
Retained in the Business:				
To deplete reserves	262,003	100%	(126,953)	100%
Value eroded	262,118	100%	(126,953)	100%

Financial Summary

Group

In thousands of naira	31-Dec-21	31-Dec-20	Restated 31-Dec-19	Restated 31-Dec-18	31-Dec-17
ASSETS					
Non-current assets					
Investment property	17,029,640	12,468,784	11,490,000	12,194,246	3,316,309
Property and equipment	135,766	90,327	155,190	220,097	411,758
Intangible assets	127,898	22,380	3,600	3,600	-
Investment in Subsidiary	-	-	-	-	-
Total non current assets	**17,293,304**	**12,581,491**	**11,648,790**	**12,417,943**	**3,728,067**
Current assets					
Trading properties under development	6,843,346	1,192,425	-	-	-
Account receivable	159,681	167,985	149,260	183,610	112,125
Other asset	79,799	1,617,679	1,368,164	1,631,733	2,207,267
Investment securities	77,469	150,929	-	-	7,089
Cash and cash equivalents	1,964,370	792,718	2,547	58,452	194,003
Total current assets	**9,124,665**	**3,921,736**	**1,519,971**	**1,873,795**	**2,520,484**
Total assets	**26,417,969**	**16,503,227**	**13,168,761**	**14,291,738**	**6,248,551**
Share capital	1,293,970	19,000	19,000	19,000	19,000
Share premium	625,628	1,374,993	1,374,993	1,374,993	1,374,993
Accumulated surplus/(deficit)	5,956,978	4,637,669	6,489,678	7,408,855	(627,266)
Fair value reserves	-	8,135	-	-	-
Deposit for shares	1,125,378	503,603	-	-	-
Equity attributable to equity holders of the parent company	**9,001,954**	**6,543,400**	**7,883,671**	**8,802,848**	**766,727**
Non-controlling interest	(4,687)	10	10	253,172	284,127
Total equity	**8,997,267**	**6,543,410**	**7,883,681**	**9,056,020**	**1,050,854**
LIABILITIES					
Non current liabilities					
Long term borrowings	8,284,485	8,106,021	4,797,768	4,830,422	4,474,086
Total non current liabilities	**8,284,485**	**8,106,021**	**4,797,768**	**4,830,422**	**4,474,086**
Current liabilities					
Current tax liabilities	356,654	154,895	6,745	6,745	-
Short term borrowings	7,291,265	-	-	-	-
Deferred revenue-deposits from customers	281,865	-	-	-	-
Other Liablities	1,206,433	1,698,901	480,567	398,551	723,611
Total current liabilities	**9,136,217**	**1,853,796**	**487,312**	**405,296**	**723,611**
Total liabilities	**17,420,701**	**9,959,817**	**5,285,080**	**5,235,718**	**5,197,697**
Total equity and liabilities	**26,417,968**	**16,503,227**	**13,168,761**	**14,291,738**	**6,248,551**

Income statement

In thousands of naira	31-Dec-21	31-Dec-20	Restated 31-Dec-19	31-Dec-18	31-Dec-17
Total income	2,003,600	944,173	1,029,657	1,124,340	1,089,937
Total expense	(487,729)	(2,809,002)	(2,201,996)	(1,222,618)	(1,505,075)
Profit/(loss) before taxation	**1,515,871**	**(1,864,829)**	**(1,172,339)**	**(98,278)**	**(415,138)**
Tax expense	(201,759)	(68,926)	-	(6,745)	-
Profit/(loss) after taxation	**1,314,112**	**(1,933,755)**	**(1,172,339)**	**(105,023)**	**(415,138)**
Other comprehensive income	-	8,135	-	-	-
Total comprehensive profit/(loss) for the year	**1,314,112**	**(1,925,620)**	**(1,172,339)**	**(105,023)**	**(415,138)**

Financial Summary

Company

In thousands of naira	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
ASSETS					
Investment in subsidiary	2,631,871	2,044,863	1,917,764	1,360,416	1,360,416
Other asset	4,011,989	337,591	-	-	-
Investment securities	77,469	42,794	-	-	-
Cash and cash equivalents	8,749	2,023	-	-	-
Total assets	**6,730,078**	**2,427,271**	**1,917,764**	**1,360,416**	**1,360,416**
EQUITY					
Share capital	1,293,970	19,000	19,000	19,000	19,000
Share premium	625,628	1,374,993	1,374,993	1,374,993	1,374,993
Acumulated surplus/(deficit)	575,485	455,819	501,026	(51,822)	(41,577)
Deposit for shares	1,125,378	503,603	-	-	-
Total equity	**3,620,461**	**2,353,415**	**1,895,019**	**1,342,171**	**1,352,416**
LIABILITIES					
Current liabilities					
Tax liabilities	6,860	6,745	6,745	6,745	-
Other Liablities	74,873	67,111	16,000	11,500	8,000
Borrowings	3,027,884	-	-	-	-
Total liabilities	**3,109,617**	**73,856**	**22,745**	**18,245**	**8,000**
Total equity and liabilities	**6,730,078**	**2,427,271**	**1,917,764**	**1,360,416**	**1,360,416**

Company
Income statement

In thousands of naira	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Total income	483,205	8,740	-	-	-
Total expense	(221,087)	(135,693)	(3,500)	(3,500)	(37,077)
Profit/(loss) before taxation	262,118	(126,953)	(3,500)	(3,500)	(37,077)
Tax expense	(115)	-	-	(6,745)	-
Profit/(loss) for the year after taxation	**262,003**	**(126,953)**	**(3,500)**	**(10,245)**	**(37,077)**
Total comprehensive profit/(loss) for the year	**262,003**	**(126,953)**	**(3,500)**	**(10,245)**	**(37,077)**

Better Your Living with purpleliving

nano • macro • urban

purple