PURPLE REAL ESTATE INCOME PLC

Consolidated and separate interim financial statements for the period ended

30 June 2022

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Corporate Information

Board of Directors:	Olajumoke Akinwunmi	Chairman
	Olutola Mobolurin*	Chairman
	Olayide Agboola	Managing Director/CEO
	Obinna Onunkwo	Executive Director
	Oluseyi Sowale	Executive Director
	Fiona Ahimie**	Independent Director
	Osareme Archibong***	Independent Director
	Muhtar Bakare	Independent Director
	Adedoyin Afun	Independent Director
	Sir (Pharm) Nnamdi Obi	Non Executive Director
	Olatunbosun Omoniyi	Non Executive Director
	Hilary Onyiuke	Non Executive Director

**Resigned on 12 February 2022*
***Appointed on 12 February 2022*
***Appointed on 6 June 2022*

Registered Office:	10, Da Silva Street Off Chris Madueke Drive Admiralty Way, Lekki Phase 1, Lagos
Business Office:	10, Da Silva Street Off Chris Madueke Drive Admiralty Way, Lekki Phase 1, Lagos.
Independent Auditor:	KPMG Professional Services KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos.
Company Secretary:	Bloomfield Law Practice 15, Agodogba Avenue Parkview, Ikoyi, Lagos.
Principal Bankers:	Stanbic IBTC Bank Plc Keystone Bank Limited Purple Microfinance Bank FCMB Limited Zenith Bank PLC Jaiz Bank PLC
Property Valuer	Jide Taiwo and Co FRC/2014/NIESV/00000008842
Company Registration No:	RC 1185154
Tax Identification No:	22514221-0001

Directors' Report

For the period ended 30 June 2022

The Directors present their consolidated and Separate interim report on the affairs of Purple Real Estate Income Plc ("the Company") and its subsidiaries ("the Group"), together with the independent auditor's report for the period ended 30 June 2022.

Legal form

Purple Real Estate Income Plc ("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 ("PREIL") was approved on 26 September 2019. The Company became a public entity on 17 June 2022. On 31 March 2022, PREIL merged with its subsidiary, Purple Real Estate Development Company ("PREDCO"), through a Scheme of Merger. Following board resolution, PREIL registered as a as a Real Estate Investment Company (REICO) with the Securities and Exchange Commission ("SEC") Nigeria in order to convert it to a Public Liability Company (PLC). 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.

Principal activity

(i) The principal activities of the Purple Real Estate Income Plc includes acquisition and execution of investment opportunities in all sectors of the economy, to act as property developer in the development of commercial real estate with the aim of outright sale or lease of properties to meet the needs of individuals and corporate bodies, and to engage in all associated undertakings including the demolition, renovation and refurbishment of buildings, property and facility management. The group provide more primary activities. These activities are undertaken by the subsidiaires. The activities are detailed in ii-vi below.

(ii) The principal activities of Maryland Mall Limited include purchase, lease, development and management of estate properties (basically, the Maryland shopping mall) to generate income.

(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.

(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 period, the Company increased its investment in the shares of Purple Proptech Limited through and additional deposit for shares of N29.4m.

(v) The principal activity of Purple Urban Limited include to carry on business as agents for real estate, housing, land and property dealers and to advertise and assist for sale or purchase of properties.

(vi) The principal activity of Purple Asset Managers Limited (formerly "Alternative Capital Partners Limited") include making equity and quasi-equity investments in select real estate, hospitality, fast moving consumer goods, infrastructure, oil & gas sectors, as well as corporate institutions.

Group Structure

Purple Real Estate Income Plc has five (5) directly controlled subsidiaries
The subsidiaries of Purple Real Estate Income Plc are Maryland Mall Limited, Purple Proptech Limited, Lekki Retailtainment Limited, Purple Asset Managers Limited and Purple Urban Limited. The groups owns 100% of the subsidiaries except in Purple Urban where it holds 49%.

Operating results

The Consolidated interim Financial Statements comprise the results of Purple Real Estate Income Plc, Maryland Mall Limited, Purple Urban Limited, Purple Proptech Limited, Lekki Retailtainment Limited and Purple Asset Managers Limited. The following is a summary of the Group operating results:

In thousands of naira	Group Audited 30 June 2022	Group Unaudited 30 June 2021	Company Audited 30 June 2022	Company Unaudited 30 June 2021
Revenue from sale of trading properties under development	3,319,715	676,078	179,000	-
Cost of sales - trading properties under development	(2,754,602)	(372,945)	(166,914)	-
Profit on trading properties	565,113	303,133	12,086	-
Rental income	273,822	288,948	-	-

Revenue from services to tenants	337,129	180,098	-	-
Expenses on services to tenants	(149,596)	(100,203)	-	-
Other property operating expenses	(41,864)	(45,171)	-	-
Net rental income	419,491	323,672	-	-
Other income	779,842	684,108	448,227	211,696
Total Operating Income	1,764,446	1,310,913	460,313	211,696
Total operating expenses	(826,369)	(675,525)	(360,042)	(129,658)
Profit before taxation	938,077	635,388	100,271	82,038
Minimum tax	(1,569)	(1,531)	(1,569)	-
Profit after minimum tax	936,508	633,857	98,702	82,038
Income tax expense	(191,830)	(99,349)	-	-
Profit after tax expense	744,678	534,508	98,702	82,038
Other comprehensive Income	-	-	-	-
Total Comprehensive profit for the year	744,678	534,508	98,702	82,038
Profit for the period is attributable to:				
Equity holders of the Company	746,302	537,107	98,702	82,038
Non-controlling interest	(1,624)	(2,599)	-	-
Profit for the period	**744,678**	**534,508**	**98,702**	**82,038**

Dividend

The total amount of Interim dividend declared/proposed is N185.5m for the period ended 30 June 2022 (2021: N142.3m). The Board paid an interim dividend of 6 kobo per share for every share held by shareholders as at 31 March 2022.

Analysis of Shareholdings

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

Shareholders		**2022** No. of Ordinary shares of 50 kobo each		**2021** No. of Ordinary shares of 50 kobo each
Purple Retail Limited	79%	3,242,666,581	94%	2,431,999,872
Gauthier Investments Limited	10%	422,613,868	0%	-
Purple Capital Holdings Limited	3%	143,863,765	0%	-
Embassy Pharmaceutical And Chemicals Limited	2%	84,687,444	0%	-
Other Shareholders	6%	229,055,175	6%	155,940,032
Purple Retail Managers Limited	0%	-	0%	128
	100%	4,122,886,833	100%	2,587,940,032

Directors and their Interests

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

Olajumoke Akinwunmi	Chairman
Olutola Mobolurin*	Chairman
Olayide Agboola	Managing Director/CEO
Obinna Onunkwo	Executive Director
Oluseyi Sowale	Executive Director
Fiona Ahimie**	Independent Director
Osareme Archibong***	Independent/Non Executive Director
Muhtar Bakare	Independent Director
Adedoyin Afun	Independent Director
Sir (Pharm) Nnamdi Obi	Non Executive Director
Olatunbosun Omoniyi	Non Executive Director
Hilary Onyiuke	Non Executive Director

**Resigned on 12 February 2022*
***Appointed on 12 February 2022*
***Appointed on 6 June 2022*

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 30 June 2022.

Directors interest in contracts

None of the Directors has notified the Group 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 Group during the period.

Investment property

Information relating to changes in investment property is disclosed in Note 11 to these financial statements.

Charitable donations

The Group did not make any donation during the period under review (2021: 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 period ended 30 June 2022, the Board held one (1) meeting, details of attendance are provided below:

	Meeting Held		**1**
S/N	**Names of Directors**		29-Apr-22
1	Mrs. Olajumoke Akinwunmi		Yes
2	Mr. Olayide Agboola		Yes
3	Mr. Muhtar Bakare		Yes
4	Ms. Seyi Sowale		Yes
5	Prof Hilary Onyiuke		Yes
6	Mr. Obinna Onunkwo		Yes
7	Mr. Oluwatunbosun Omoniyi		Yes
8	Mrs Fiona Ahimie		Yes
9	Sir (Pharm.) Nnamdi Obi		Yes
10	Mr. Adedoyin Afun		Yes
11	Mrs. Osareme Archibong		Yes
	In Attendance	Yes	
	Not in attendance	No	

Human resources

Employment of disabled persons

The Group had no disabled person in its employment. However, applications for employment from disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned, In the event of members of staff becoming disabled, efforts will be made to ensure that, as far as possible, their employment with the Group continues and that appropriate training are arranged to ensure that they fit into the Group's working environment.

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 Group 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.

Employee consultation and training

The Group places considerable value on the involvement of its employees and is in the practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Group. In line with this, formal and informal channels of communication are employed in keeping the staff abreast of various factors affecting the performance of the Group. The Group organizes training for its employees. These are complemented with on-the-job training.

Events after the reporting period

There are no events after the reporting date that could have had a material effect on the financial statements of the Group that have not been provided for or disclosed in these financial statements.

Independent Auditors

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

BY ORDER OF THE BOARD

Ebelechukwu Stephanie Ikpeoyi
FRC/2022/PRO/NBA/004/877580
For: Bloomfield Law Practice
Company Secretary
27 October, 2022

Statement of Directors' responsibilities in relation to the consolidated and separate interim financial statements for the period ended 30 June 2022

The Directors accept responsibility for the preparation of the consolidated and separate interim 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:

Mrs. Olajumoke Akinwunmi
Chairman
FRC/2022/PRO/DIR/003/147084
27 October, 2022

Mr. Olayide Agboola
Executive Director
FRC/2013/IODN/00000003519
27 October, 2022

Statement of Corporate Responsibility for the Consolidated and Separate Interim Financial Statements for the Period Ended 30 June 2022

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 consolidated and separate interim financial statements for the period ended 30 June 2022 as follows:

a) That we have reviewed the audited consolidated and separate interim financial statements for the period ended 30 June 2022.

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 period ended 30 June 2022.

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 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.

f) 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	Ms. Oluseyi Sowale
Chief Executive Officer	Chief Financial Officer
FRC/2013/IODN/00000003519	FRC/2020/006/00000021622
27 October 2022	27 October 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Purple Real Estate Income Plc

Report on the Audit of the Consolidated and Separate Interim Financial Statements

Opinion

We have audited the consolidated and separate interim financial statements of Purple Real Estate Income Plc ("the Company") and its subsidiaries (together, "the group"), which comprise:

- the consolidated and separate statements of financial position as at 30 June 2022;
- 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 period then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate interim financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with IAS 34 Interim Financial Reporting 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 interim 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These were no key audit matters addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon.

Other Matter
We draw attention to the fact that we have not audited the accompanying consolidated and separate interim statements of profit or loss and other comprehensive income, changes in equity and cashflows for the period ended 30 June 2021 or any of the related notes and accordingly, we do not express an opinion on them.

Other Information
The Directors are responsible for the other information. The other information comprises the director's report, statement of director's responsibilities and statement of corporate responsibility, included in the annual report, but does not include the consolidated and separate interim financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate interim 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 interim 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.

Responsibilities of the Directors for the Consolidated and Separate Interim 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 IAS 34 Interim Financial Reporting and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, 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.

In preparing the consolidated and separate interim 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 Interim Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate interim 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.

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.

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

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 interim statement of financial position and interim statement of profit or loss and other comprehensive income are in agreement with the books of account.

Obaloje J. Oseme
FRC/2013/IICAN/00000004803
For: KPMG Professional Services
Chartered Accountants
28 October 2022
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
SC/ICAN
1150637

Consolidated and Separate Interim Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2022

In thousands of naira	Notes	Group Audited 30 Jun 2022	Group Unaudited 30 Jun 2021	Company Audited 30 Jun 2022	Company Unaudited 30 Jun 2021
Gross earnings		**4,710,508**	**1,829,232**	**627,227**	**211,696**
Revenue from sale of trading properties under development	5	3,319,715	676,078	179,000	-
Cost of sales - trading properties under development	5	(2,754,602)	(372,945)	(166,914)	-
Profit on trading properties		**565,113**	**303,133**	**12,086**	**-**
Rental income	5	273,822	288,948	-	-
Revenue from services to tenants	5	337,129	180,098	-	-
Expenses on services to tenants	5	(149,596)	(100,203)	-	-
Other property operating expenses	5	(41,864)	(45,171)	-	-
Net rental income		419,491	323,672	-	-
Net revenue		**984,604**	**626,805**	**12,086**	**-**
Other income	6(a)	47,611	32,073	154,622	167,063
Fair value gain on investment properties	6(b)	480,088	504,805	53,888	44,633
Impairment write-back	10	252,143	147,230	239,717	-
Total other income		**779,842**	**684,108**	**448,227**	**211,696**
Net operating income		**1,764,446**	**1,310,913**	**460,313**	**211,696**
Finance cost	7	(356,585)	(355,814)	-	-
Personnel expenses	8	(257,045)	(155,306)	(256,526)	-
Operating expenses	9	(212,739)	(164,405)	(103,516)	(129,658)
Total expenses		**(826,369)**	**(675,525)**	**(360,042)**	**(129,658)**
Profit before minimum tax and income tax expense		938,077	635,388	100,271	82,038
Minimum tax	22	(1,569)	(1,531)	(1,569)	-
Profit after minimum tax		936,508	633,857	98,702	82,038
Income tax expense	22	(191,830)	(99,349)	-	-
Profit for the period		**744,678**	**534,508**	**98,702**	**82,038**
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**744,678**	**534,508**	**98,702**	**82,038**
Profit for the period is attributable to:					-
Equity holders of the Company		746,302	537,107	98,702	82,038
Non-controlling interest	20(f)	(1,624)	(2,599)	-	-
Profit for the period		**744,678**	**534,508**	**98,702**	**82,038**
Total comprehensive income attributable to:					
Equity holders of the Company		746,302	659,654	98,702	82,038
Non-controlling interest	20(f)	(1,624)	(2,599)	-	-
Total comprehensive income for the period		**744,678**	**657,056**	**98,702**	**82,038**

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

Consolidated and Interim Separate Statement of Financial Position
As at 30 June 2022

In thousands of naira	Notes	Group 30 Jun 2022	Group 31 Dec 2021	Company 30 Jun 2022	Company 31 Dec 2021
ASSETS					
Non-current assets					
Completed investment property	11(a)	11,521,500	11,095,300	-	-
Investment property under development	11(b)	8,279,746	5,934,340	771,300	-
Property and equipment	12	153,132	135,766	63,902	-
Intangible assets and goodwill	13	119,030	127,898	4,261	-
Investment in subsidiary	14	-	-	2,626,279	2,631,871
Total non-current asset		**20,073,408**	**17,293,304**	**3,465,742**	**2,631,871**
Current assets					
Trading properties under development	15	5,978,745	6,843,346	1,162,021	-
Account receivable	16	695,380	159,681	47,417	-
Other asset	17	1,856,744	79,799	6,018,141	4,011,989
Investment securities	18	263,397	77,469	263,397	77,469
Cash and cash equivalents	19	1,946,009	1,964,370	1,094,575	8,749
Total current assets		**10,740,275**	**9,124,665**	**8,585,551**	4,098,207
Total assets		**30,813,683**	**26,417,969**	**12,051,293**	**6,730,078**
EQUITY					
Share capital	20	2,061,443	1,293,970	2,061,443	1,293,970
Share premium	20(b)	1,345,281	625,628	1,345,281	625,628
Retained earnings	20(c)	6,517,754	5,956,978	488,661	575,485
Fair value reserves	20(d)	-	-	-	-
Prepaid share capital reserves	20(e)	10,000	1,125,378	10,000	1,125,378
Common control acqusition deficit	20(g)	(94,408)	-	(30,028)	-
Equity attributable to equity holders of the parent company		**9,840,070**	**9,001,954**	**3,875,357**	**3,620,461**
Non-controlling interest	20(f)	(6,311)	(4,687)	-	-
Total equity		**9,833,759**	**8,997,267**	**3,875,357**	**3,620,461**
LIABILITIES					
Non-current liabilities					
Long term borrowings	21(c)	10,263,671	8,284,485	5,000,000	3,027,884
Total non current liabilities		10,263,671	8,284,485	5,000,000	3,027,884
Current liabilities					
Current tax liabilities	22(d)	550,053	356,654	210,239	6,860
Other liabilities	23	998,912	1,206,433	356,287	74,873
Deferred revenue-deposits from customers	24	36,809	281,865	-	-
Short term borrowings	21(c)	9,130,478	7,291,265	2,609,410	-
Total current liabilities		10,716,252	9,136,217	3,175,936	81,733
Total liabilities		20,979,924	17,420,702	8,175,936	3,109,617
Total equity and liabilities		**30,813,683**	**26,417,969**	**12,051,293**	**6,730,078**

These financial statements were approved by the Board of Directors on 27 October 2022 and signed on its behalf by the directors listed below:

Mrs. Olajumoke Akinwunmi
Chairman
FRC/2022/PRO/DIR/003/147084

Mr. Olayide Agboola
Managing Director/CEO
FRC/2013/IODN/00000003519

Additionally certified by:

Ms. Oluseyi Sowale
Executive Director, Finance
FRC/2020/006/00000021622

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

Consolidated Interim Statement of Changes in Equity

For the period ended 30 June 2022

Group

In thousands of naira	Note	Share capital	Share premium	Fair value reserves	Prepaid share capital reserves	Common control acqusition deficits	Retained earnings	Non-controlling interest	Total equity
Balance as at 1 January 2022	20	1,293,970	625,628	-	1,125,378	-	5,956,978	(4,687)	8,997,267
Profit/(loss) for the period		-	-	-	-	-	746,302	(1,624)	744,678
Fair value gains on financial assets at FVOCI		-	-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**		**746,302**	**(1,624)**	**744,678**
Transactions with owners, recorded directly in equity									
Additional Share Capital		-	-	-	-	-	-	-	-
Transfers from prepaid share capital reserves		409,207	719,653	-	(1,115,378)	-	-	-	13,482
Proceeds on share issue		358,266	-	-	-	-	-		358,266
Common control acqusition deficit						(94,408)	-	-	(94,408)
Dividend to equity holders		-	-	-	-		(185,526)	-	(185,526)
Total contributions /(distributions)		**767,473**	**719,653**	**-**	**(1,115,378)**	**(94,408)**	**(185,526)**	**-**	**91,814**
									-
Balance at 30 June 2022		**2,061,443**	**1,345,281**	**-**	**10,000**	**(94,408)**	**6,517,754**	**(6,311)**	**9,833,759**

For the period 30 June 2021 (Unaudited)

In thousands of naira	Note	Share capital	Share premium	Fair value reserves	Prepaid share capital reserves	Common control acqusition deficit	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
Loss for the year		-	-	-	-	-	537,107	(2,599)	534,508
Fair value gains on financial assets at FVOCI	18(d)	-	-	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**537,107**	**(2,599)**	727,769
Transactions with owners, recorded directly in equity									
Additional Share Capital		637,485	(374,683)	-	-	-	-	-	262,803
Deposit for shares		-	-	-	312,137	-	-	-	312,137
Share issue cost		-	-	-	(1,250)	-		-	(1,250)
Dividend to equity holders							(142,337)		(142,337)
Acquisition of shares of subsidiary - common control		-	-	-	-	-	-	-	-
Total contributions /(distributions)		**637,485**	**(374,683)**	**-**	**310,887**	**-**	**(142,337)**	**-**	**431,353**
Balance at 30 June 2021		**656,485**	**1,000,311**	**8,135**	**814,490**	**-**	**5,032,439**	**(2,599)**	**7,702,522**

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

Separate Interim Statement of Changes in Equity

For the period ended 30 June 2022

Company

In thousands of naira	Note	Share capital	Share premium	Prepaid share capital reserves	Common control acqusition deficit	Retained earnings	Total equity
Balance as at 1 January 2022	20	1,293,970	625,628	1,125,378	-	575,485	3,620,461
Profit/(loss) for the year		-	-	-	-	98,702	98,702
Total comprehensive income		**-**	**-**	**-**		**98,702**	**98,702**
Transactions with owners, recorded directly in equity							
Additional Share Capital		-	-	-	-	-	-
Transfers from prepaid share capital reserves		409,207	719,653	(1,115,378)	-	-	13,482
Proceeds on share issue		358,266	-	-	-	-	358,266
Common control acquisition deficit		-	-	-	(30,028)	-	(30,028)
Dividend to equity holders		-	-	-	-	(185,526)	(185,526)
Total contributions and (distributions)		**767,473**	**719,653**	**(1,115,378)**	**(30,028)**	**(185,526)**	**156,194**
Balance at 30 June 2022		**2,061,443**	**1,345,281**	**10,000**	**(30,028)**	**488,661**	**3,875,357**

For the period ended 30 June 2021 (Unaudited)

In thousands of naira	Note	Share capital	Share premium	Prepaid share capital reserves	Common control acqusition deficit	Retained earnings	Total equity
Balance as at 1 January 2021	18	19,000	1,374,993	503,603	-	455,819	2,353,415
Loss for the year		-	-	-	-	82,038	82,038
Total comprehensive income		**-**	**-**	**-**	**-**	**82,038**	**82,038**
Transactions with owners, recorded directly in equity							
Additional Share Capital		637,485	(374,683)		-	-	262,803
Deposit for shares		-	-	312,137	-	-	312,137
Share issue cost				(1,250)	-	-	(1,250)
Dividend to equity holders		-	-	-	-	(142,337)	(142,337)
Total contributions and (distributions)		**637,485**	**(374,683)**	**310,887**	**-**	**(142,337)**	**431,353**
Balance at 30 June 2021		**656,485**	**1,000,311**	**814,490**	**-**	**395,520**	**2,866,806**

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

Consolidated and Separate Interim Statement of Cash Flows
For the period ended 30 June 2022

In thousands of naira	Notes	Group Audited 30 Jun 2022	Group Unaudited 30 Jun 2021	Company Audited 30 Jun 2022	Company Unaudited 30 Jun 2021
Cash flows from operating activities					
Profit/(loss) for the year		**744,678**	**534,508**	**98,702**	**82,038**
Income tax expense		193,399	100,880	1,569	-
Profit/(loss) before tax		**938,077**	**635,388**	**100,271**	**82,038**
Adjustments for:					
Fair value changes in Investment property	6(b)	(480,088)	953,461	-	-
Loan modification gain		34,029	(131,811)	-	-
Interest expense	21(b)	336,038	334,637	223,251	189,901
Impairment loss/writeback	10	(252,143)	(63,695)	(239,717)	-
Foreign exchange loss	21(b)	20,547	21,177	-	-
Depreciation for property and equipment	12	26,184	20,631	5,217	-
Net cash flow from operating activities before changes in operating assets and liabilities		622,644	149,973	89,022	271,939
Changes in:					
Account receivable	33(b)	(564,361)	(63,189)	(47,417)	-
Trading properties under development	33(f)	194,437	(1,016,850)	-	-
Other assets	33(e)	(1,787,465)	159,349	(3,735,968)	(492,855)
Other liabilities	33(d)& 6(a)	(452,577)	1,075,730	281,414	62,371
Net cash (used in)/ generated from operating activities		**(1,987,322)**	**305,013**	**(3,412,949)**	**(158,545)**
Cash flows from investing activities					
Acquisition of property and equipment	12	(25,040)	(32,665)	(20,049)	-
Acquisition of intangible assets	13	(11,154)	-	(3,034)	-
Acquisition of investment securities	18	(179,874)	(29,781)	(179,874)	(29,781)
Disposal of investment securities	18	-	108,135	-	-
Acquisition of businesses, net of cash acquired	26	-	-	264,378	-
Investments in subsidiaries	14	-	-	(39,404)	
Expenditure on investment property under development	33(a)	(902,462)	(1,742,610)	-	-
Interest received	6	47,264	-	16,947	-
Net cash generated generated from / (used in) investing activities		**(1,071,266)**	**(1,696,921)**	**38,964**	**(29,781)**
Cash flows from financing activities					
Proceed from borrowings	21(b)	8,357,393	2,667,355	7,400,000	40,758
Proceeds from deposits for shares	20(e)	358,266	312,137	358,266	312,137
Share issue costs	20(e)	-	(1,250)	-	(1,250)
Repayment of borrowings	21(b)	(4,593,170)	(382,500)	(2,674,700)	-
Interest paid	21(b)	(917,041)	(270,182)	(437,810)	(20,379)
Dividend Paid	33(g)	(185,526)	-	(185,526)	(142,337)
Net cash generated from/ (used in) financing activities		**3,019,922**	**2,325,560**	**4,460,230**	**188,929**
Net increase/(decrease) in cash and cash equivalents		(38,666)	933,652	1,086,245	603
Cash and cash equivalents at beginning of the period		1,986,675	792,718	8,749	2,679
Cash and cash equivalents at 30 June	19	**1,948,009**	**1,726,370**	**1,094,994**	**3,282**

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

Notes to the Interim Financial Statements
For the period ended 30 June 2022

1 Reporting entity

Purple Real Estate Income Plc ("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 ("PREIL") was approved on 26 September 2019. The Company became a public entity on 17 June 2022. On 31 March 2022, PREIL merged with its subsidiary, Purple Real Estate Development Company ("PREDCO"), through a Scheme of Merger. Following board resolution, PREIL registered as a as a Real Estate Investment Company (REICO) with the Securities and Exchange Commission ("SEC") Nigeria in order to convert it to a Public Liability Company (PLC). The interim consolidated and separate financial statements for the period ended 30 June 2022 comprise the Company and its subsidiary (together referred to as "the Group").

Basis of preparation

2

(a) Statement of compliance

The consolidated and separate interim 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 27 October 2022.

(b) Basis of measurement

These consolidated and separate interim 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 interim 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 the consolidated and separate 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.
The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in the note 26 to the account.

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 - Classification of property
- Note 26.2.4 - Determining the timing of revenue recognition on trading property under development
- Note 26.2.5 - consolidation - Determination of control over investees.
- Note 26.2.6 - Business Combination - common control transaction

(ii.) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting into material adjustment as at the period ended 30 June 2022 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.

Notes to the Interim Financial Statements
For the period ended 30 June 2022

Measurement of fair values

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

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

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

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

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

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

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

3 Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies as set out in note 4 to all periods presented in these financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Standards not yet effective	Effective Date	Summary of the requirements
Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022	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. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 to contracts at the date when the amendments are first applied. The amendment is not expected to have any significant impact on the Company.
Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022	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 by management. 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 financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin. 'The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments. The amendment is not expected to have any significant impact on the Company.

Notes to the Interim Financial Statements
For the period ended 30 June 2022

Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023	This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarifies the following: - an entity develops an accounting estimate to achieve the objective set out by an accounting policy. - developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. - a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. - a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. The definition of accounting policies remains unchanged. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company applies the amendments. The amendment is not expected to have any significant impact on the Company.
Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023	The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition rising from these transactions. The standard is effective for annual periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability. The amendment is not expected to have any significant impact on the Company.
Amendments to IAS 1: Classification of liabilities as current or non-current	1 January 2023	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted. The amendment is not expected to have any significant impact on the Company.

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 and separated interim financial statements.

Notes to the Interim Financial Statements
For the period ended 30 June 2022

(a) Basis of consolidation

(i) Business combinations

The Group applies IFRS 3 Business Combinations in accounting for 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.

The Group measures goodwill at the acquisition date as the total of:
- the fair value of the consideration transferred, which is generally measured at fair value; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

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.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

In the separate financial statements of the Company, investments in subsidiaries are accounted for at cost.

(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 consolidates the annual financial statements of investees which it controls. The annual financial statements of the investee are consolidated from the date on which the group acquires control up to the date that control ceases. Control is assessed on a continuous basis.

The proportion of comprehensive income and changes in equity allocated to the group and non-controlling interests are determined on the basis of the group's present ownership interest in the subsidiary.

Investments in subsidiaries are accounted for at cost less accumulated impairment losses (where applicable) in the separate financial statements. The carrying amounts of these investments are reviewed annually and impaired when necessary.

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.

(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 assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognized directly in a capital reserve account in equity called common control acquisition reserves.

(v) Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

NCI is subsequently measured at the initial recognised amount plus the share of profit and other comprehensive income attributable to the non-controlling shareholders.

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 fair value through OCI (FVOCI) financial assets are recognised in the FVOCI 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 Interim Financial Statements
For the period ended 30 June 2022

(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.

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).

iv) Interest income

Interest income is recognised as it accrues in the Statement of Profit or Loss, represents mainly income from placement of funds.
Interest income calculated using the effective interest method presented in the statement of profit or loss and OCI includes interest on financial assets.

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v) Fee income

Fee income is recognised when the Group acts in the capacity of an agent rather than as the principal in a transaction. The revenue recognised is the net amount of commission made by the Group.

(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.

(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.

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(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.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(i) Earnings per Share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(j) 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.

(k) 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 Fair value through Profit/Loss (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.

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;

Notes to the Interim Financial Statements
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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 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.

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.

Notes to the Interim Financial Statements
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(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 receivables, contract assets 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 and contract assets 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'.

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.

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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.

(viii) Non-derivative financial assets

All financial assets are recognized in the consolidated and separate statement of financial position and measured in accordance with their assigned IFRS 9 category.

The Group allocates financial assets to the following categories; amortised cost, fair value through other comprehensive income (FVOCI and fair value through profit or loss (FVTPL).

Management determines the classification of its financial assets at initial recognition. All financial assets are initially recognized at fair value. Transaction costs are included in the amounts initially recognized except for financial assets at fair value through profit or loss, where transaction costs are recognized immediately in statement of profit or loss.

Subsequent to initial measurement, financial instruments are measured either at fair value or amortized cost, depending on their classification.

The Group derecognises a financial assets when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred assets that is created or retained by the Group is recognised as a separate asset or liability.
The Group's non-derivative financial assets are loans and advances, account receivables, other receivables and cash and cash equivalents which are measured at amortised cost

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Account receivable comprises of receivables on service charge and utilities, receivables on customers lease rental etc. Account receivables are stated at cost less impairment.

Other receivables comprise balances due from the Group's related party and other components within the Purple group. Other receivables are carried at amortised cost less accumulated impairment losses. The Group recognises receivables from related parties when they are originated. Inter-Group receivables are measured at amortised cost less accumulated amortisation and impairment losses. The inter-Group balances do not attract any interest charges and repayments are made upon request.

(ix) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group's non-derivative financial liabilities are borrowings and other liabilities.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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(l) 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 operating.

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.

(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.

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(m) 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.

(n) Borrowings

Borrowings are repayable based on the agreement terms between the Group and its lenders. The Group's borrowings form an integral part of its cash inflow from financing activities and have been recognized as such for the purpose of the statement of cash flows. Borrowings are financial liabilities which are measured initially at fair value and subsequently at amortized cost using the effective interest method.

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.

(o) 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 equipment.

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.

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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.

(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.

Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer. Upon receipt of such certification from a customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment on the same basis as financial assets that are within the scope of IFRS 9 – refer to "Impairment" in Note K (VII) nad 26.1.4.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Unlike the method used to recognise contract revenue related to sale of completed property, the amounts billed to the customer for the sale of a property under development are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given period do not necessarily coincide with the amounts billed to and certified by the customer.

In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed to and certified by the customer, the difference is recognised (as a contract asset) and presented in the statement of financial position under "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to and certified by the customer (i.e., when a payment is due or a payment is received before the Group transfers the remaining goods or services), the difference is recognised (as a contract liability) and presented in the statement of financial position under "Contract liabilities".

Notes to the Financial Statements

For the period ended 30 June 2022

(p) 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

(q) 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. lf 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

For the period ended 30 June 2022

(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.

(r) 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.

(s) Other liabilities

Accrued items and other liabilities are carried at amortized cost. Other liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument and subsequently measured at amortized cost.

(t) Cash and cash equivalent

Cash and cash equivalents comprises of cash at bank and short-term deposits with an original maturity of three months or less in the consolidated and separate statements of financial position which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

For the purpose of the cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

Notes to the Financial Statements

For the period ended 30 June 2022

(u) Other receivables

Other receivables are recognized at amortized cost. However, other receivables with no repayment plan are measured at cost and short duration receivables with no stated interest rate are measured at their original invoice amount. Appropriate allowance for estimated irrecoverable amounts are recognized in the profit or loss account where there is objective evidence that the asset is impaired.

(v) Prepayments

Prepayments are stated at cost less accumulated amortization.

(w) Intangible assets

Recognition and measurement

Software acquired by the Group is stated at cost less accumulated amortization and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalized costs of internally developed software include all costs directly attributable to developing the software and are amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization and any accumulated impairment losses.

Subsequent costs

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization

Amortization is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of software is five to three years. Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate .

Work in progress

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.

De-recognition

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

(x) Employee benefits

Short-term employee benefits

Shorterm employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(y) Statement of cashflows

The consolidated and separate statements of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items, have been eliminated for the purpose of preparing the statement. Finance cost paid is also included in financing activities while finance income received is included in investing activities.

Notes to the Financial Statements

For the period ended 30 June 2022

5 Revenue

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Revenue from sale of trading properties under development (See (iv) below)	3,319,715	676,078	179,000	-
Cost of sales - trading properties under development (See (v) below)	(2,754,602)	(372,945)	(166,914)	-
Profit on trading properties	**565,113**	**303,133**	**12,086**	**-**
Revenue from services charge and utility (See (ii) below)	337,129	180,098	-	-
Rental income (See (i) below)	273,822	288,948	-	-
Expenses on services to tenants	(149,596)	(100,203)	-	-
Other property operating expenses	(41,864)	(45,171)	-	-
Net rental income	**419,491**	**323,672**	**-**	**-**

(i) This amount represents the rental income earned at Maryland mall during the period.

(ii) This amount represents the income earned from service charge and utilities at Maryland mall during the period.

(iii) This amount represents the income earned from advertising and car park at Maryland mall during the period.

(iv) This amount represents the income earned from sales of purple nano apartments, project lowrise and Maryland macros by Lekki Retailtainment Limited, Purple Urban Limited and Purple Retail Estate Income Plc respectively during the period.

(v) This amount represents the cost of sales incurred on purple nano apartments, project lowrise and Maryland macros by Lekki Retailtainment Limited, Purple Urban Limited and Purple Retail Estate Income Plc respectively during the period.

6 Other income

(a)

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Interest income on loans and advances	-	-	-	-
Interest Income - Placement	47,264	31,621	16,947	19,867
Dividend income	-	-	-	146,629
Other Income (see i below)	347	452	-	567
Income from Outsourced services	-	-	75,000	-
Fee Income	-	-	62,675	-
	47,611	32,073	154,622	167,063

(i) Other income represents the amount received from bank balances of subsidiaries

(b)

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Fair value gain on investment properties (see note 11)	480,088	504,805	53,888	44,633

7 Finance cost

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Interest expense on borrowings	336,038	334,637	-	-
Exchange rate loss of borrowings	20,547	21,177	-	-
	356,585	355,814	-	-

Notes to the Financial Statements

For the period ended 30 June 2022

8 Personnel expenses

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Salaries	193,843	118,923	193,843	-
Allowances and other staff cost	63,202	36,383	62,683	-
	257,045	155,306	256,526	-

(i) This amount mainly represent expenses on staff of Purple Real Estate Income Plc (PREIP). PREIP 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 period ended 30 June 2022 amounted to N257m (2021: 155.3m)

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

Number	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Categories				
Management	11	11	-	-
Senior staff	11	11	-	-
Junior staff	26	26	-	-
	48	48	-	-

(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	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Below N1,000,000	14	14	-	-
N1,000,001 - N2,000,000	12	12	-	-
N2,000,001 - N3,000,000	5	5	-	-
Above N3,000,000	17	17	-	-
	48	48	-	-

9 Operating Expenses

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Depreciation of property and equipment	27,696	20,631	10,809	-
Diesel expense	4,148	9,453	4,148	2,490
Advertisement and Public Relation	30,519	852	3,244	1,500
Cleaning expenses	761	4,849	761	875
Entertainment	2,158	3,257	1,841	2,370
Trademark and Branding	-	19	-	-
Outsourced services	1,232	2,131	-	-
Bank charges	8,238	2,661	1,905	953
Exchange loss	-	318	-	-
Business travel and accommodation	3,576	4,919	3,576	8,765
Business Premises and Developmental Fees	-	-	-	-
Dividend Expense	-	-	-	-
Office expenses	-	12,801	-	68,506
Printing and stationery	1,915	1,076	1,234	-

Notes to the Financial Statements

For the period ended 30 June 2022

Transport and miscellaneous	235	2,488	235	-
Gift and Souvenir	1,096	7,307	237	-
Utility expenses	280	-	280	-
Fumigation expenses	946	638	-	-
Telephone expenses	4,144	9,176	1,087	-
Other expenses (see note (i) below)	125,795	81,830	74,159	44,199
	212,739	164,406	103,516	129,658

(i) Analysis of other expenses are as follows:

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Professional Expenses	47,357	44,394	23,012	20,000
Other management fees	-	-	-	-
Repairs and maintenance cost	3,548	4,924	2,615	1,295
Management/Operational Fees	-	263	-	-
Security Expenses	6,258	7,000	931	-
Insurance cost	4,170	3,985	4,170	3,985
Subscriptions, Media and Rates	8,678	7,003	4,535	3,434
Auditors' remuneration	29,547	6,660	13,568	8,500
Directors Fees (See note 9(ii) below)	3,025	2,509	2,500	2,000
Merger Expenses	16,549	-	16,549	-
Vehicles expenses	6,663	5,092	6,279	4,985
	125,795	81,830	74,159	44,199

(ii) **Directors' remuneration**

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Fees and sitting allowances	3,025	3,983	2,500	2,000.00
Fees disclosed above include amounts paid to:				
The chairman	1,500	1,500	1,000	1,000
The highest paid director	1500	1,500	1,000	1,000

10 Impairment (writeback)/loss

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Cash and cash equivalents	(20,305)	(319)	419	-
Account receivables	28,662	(35,471)	(174,176)	-
Impairment of Investment in Subsidiary (see note 14)	-	-	-	-
Other assets (See note (i) below)	(260,500)	(111,440)	(65,960)	-
	(252,143)	(147,230)	(239,717)	-

Notes to the Financial Statements

For the period ended 30 June 2022

11 Investment property

Group

Investment property comprises the land and building of Maryland Shopping Mall, the On-going all-new state of the art mixed property under construction at Lekki Retailtainment Limited, the investment property comprising the land and building of Purple Urban Limited and the 2,317 sqm of bare land situated at No. 350, Ikorodu Road, by Idiroko bus stop, Maryland.

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 30 June 2022

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

30 June 2022

In thousands of naira	Land	Building	Building WIP	Total
Balance as at 01 January	3,641,175	10,680,617	2,707,848	17,029,640
Capital expenditure on property	107,453	795,009	-	902,462
Reclassification from trading properties	-	-	1,389,056	1,389,056
Fair value remeasurement adjustment (see note 6(b))	480,088	-	-	480,088
Balance as at 30 June	**4,228,716**	**11,475,626**	**4,096,904**	**19,801,246**

31 December 2021

In thousands of naira	Land	Building	Building WIP	Total
Balance as at 01 January (as restated)	3,340,709	8,110,215	1,017,860	12,468,784
Capital expenditure on property	134,985	1,726,273	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	**3,641,175**	**10,680,617**	**2,707,848**	**17,029,640**

Company

30 June 2022

In thousands of naira	Land	Building	Building WIP	Total
Balance as at 1 January	-	-	-	-
Acquired through common control transaction	628,146	-	-	628,146
Capital expenditure on property	-	-	-	-
Fair value remeasurement adjustment (see note 6(b))	143,154	-	-	143,154
Balance as at 30 June	**771,300**	**-**	**-**	**771,300**

(a) **Completed Investment Property**

Subsidiary	Category	Description	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
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.	11,521,500	11,095,300	-	-
			11,521,500	**11,095,300**	-	-

Notes to the Financial Statements

For the period ended 30 June 2022

(b) **Investment Property Under Development**

Subsidiary	Category	Description	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
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.	7,508,446	5,270,493	-	-
Purple Real Estate Income Plc	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.	771,300	663,847	771,300	-
			8,279,746	**5,934,340**	771,300	-
			19,801,246	**17,029,640**	**771,300**	**-**

(c) **Reconciliation of carrying**

In thousands of Naira	**30 June 2022**	**31 Dec 2021**
Balance at the beginning of the period/year	17,029,640	12,468,784
Additions	902,462	3,551,246
Reclassification from trading properties	1,389,056	-
Fair value remeasurement	480,088	1,009,610
Balance as at end of the period/year	19,801,246	17,029,640

(d) **Measurement of fair values**

Fair value hierarchy of the investment properties are as follows:

In thousands of Naira	**30 June 2022**	**31 Dec 2021**
Level 1	-	-
Level 2	-	-
Level 3	19,801,246	17,029,640
	19,801,246	17,029,640

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

(f) Rental income rcognised in profit or loss:

In thousands of naira	30-Jun-22	30-Jun-21
Rental income (see note 5)	273,822	288,948
	273,822	**288,948**

Notes to the Financial Statements

For the period ended 30 June 2022

(g) The investment property as at 30 June 2022, was valued by Jide Taiwo and Co with FRC number FRC/2014/NIESV/00000008842, a registered firm of estate surveyors and valuers in Nigeria. 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 30 June 2022 (2021: N17 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	11,521,500	Discounted Cashflow 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 N892.1 million ($2,103,414) - 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 7.5%. -Exit yield of 9% -Rental growth rate of 2.5% -Equivalent yield of 11%
350/360, Ikorodu road, Maryland. Lagos	771,300	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 N286,000. - Terms of sale of 5%. -Improvement works of 15% -Market conditions of 15%
Plot 10, Ikate Elegushi, Bella Vista, Lekki Peninsula. Lagos	7,508,446	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 N13.83bn - Professional fees of 10%. - Depreciation of 1% - Developers profit of 40%

Notes to the Financial Statements

For the period ended 30 June 2022

12 Property and equipment

Group
30 June 2022

In thousands of naira	Furniture and fittings	Computer and office equipment	Motor vehicle	Plant and Machinery	Total
Cost					
Balance at 1 January 2022	108,762	495,623	64,741	208,487	877,613
Transfers from intangible assets	-	18,510	-	-	18,510
Additions	2,819	8,784	13,437	-	25,040
Balance at 30 June 2022	111,581	522,917	78,178	208,487	921,163
Accumulated depreciation					
Balance at 1 January 2022	49,197	471,795	26,056	194,799	741,847
Charge for the year	10,145	6,472	7,090	2,477	26,184
Balance at 30 June 2022	59,342	478,267	33,146	197,276	768,031
Carrying amounts					
At 30 June 2022	52,239	44,650	45,032	11,211	153,132
At 31 December 2021	59,565	23,828	38,685	13,688	135,766

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	81,192	479,573	22,200	192,098	775,063
Additions	27,570	16,050	42,541	16,389	102,550
Balance at 31 December 2021	108,762	495,623	64,741	208,487	877,613
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	53,263	17,776	-	1	71,040

- There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2021: Nil)
- There was no item of property and equipment that has been pledged as security for borrowings as at period end (2021: Nil)
- The Group had no capital commitments as at the date of the statement of financial position (2021: Nil).
- There were no impairment losses on any class of property and equipment during the period (2021: Nil).
- All items of PPE are non current.

Notes to the Financial Statements

For the period ended 30 June 2022

12 Property and equipment

Company
30 June 2022

In thousands of naira	Furniture and fittings	Computer and office equipment	Motor vehicle	Plant and Machinery	Total
Cost					
Balance at 1 January 2022	-	-	-	-	-
Acquired through common control transaction	4,047	17,610	55,313	8,172	85,142
Additions during the year	-	6,612	13,437	-	20,049
Balance at 30 June 2022	4,047	24,222	68,750	8,172	105,191
Accumulated depreciation					
Balance at 1 January 2022	-	-	-	-	-
Accumulated depreciation acquired through common control	1,895	8,474	21,999	3,704	36,072
Charge for the year	162	1,313	3,359	383	5,217
Balance at 30 June 2022	2,057	9,787	25,358	4,087	41,289
Carrying amounts					
At 30 June 2022	1,990	14,435	43,392	4,085	63,902
At 31 December 2021	-	-	-	-	-

Company
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	-	-	-	-	-
Additions	-	-	-	-	-
Balance at 31 December 2021	-	-	-	-	-
Depreciation					
Balance at 1 January 2021	-	-	-	-	-
Charge for the year	-	-	-	-	-
Balance at 31 December 2021	-	-	-	-	-
Carrying amounts					
At 31 December 2021	-	-	-	-	-
At 31 December 2020	-	-	-	-	-

- There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (2021: Nil)
- There was no item of property and equipment that has been pledged as security for borrowings as at period end (2021: Nil)
- The Group had no capital commitments as at the date of the statement of financial position (2021: Nil).
- There were no impairment losses on any class of property and equipment during the period (2021: Nil).
- All items of PPE are non current.

Notes to the Financial Statements

For the period ended 30 June 2022

13 Intangible Assets

Intangible assets include development costs, the website for the e-commerce platform of Purple Proptech Limited and Goodwill on acquisition of Purple Asset Managers Limited (Formerly ("Alternative Capital Partners Limited") by Purple Real Estate Income Plc.

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 2022	45,000	84,078	129,078
Transfer to PPE	-	(18,510)	(18,510)
Additions	-	11,154	11,154
Balance at 30 June 2022	45,000	76,722	121,722
Balance at 1 January 2021	-	25,980	25,980
Additions	45,000	58,098	103,098
Balance at 31 December 2021	45,000	84,078	129,078
Accumulated amortization and impairment			
Balance at 1 January 2022	-	(1,180)	(1,180)
Charge for the year	-	(1,512)	(1,512)
Balance at 30 June 2022	-	(2,692)	(2,692)
Balance at 1 January 2021	-	-	-
Charge for the year	-	(1,180)	(1,180)
Balance at 31 December 2021	-	(1,180)	(1,180)
Carrying amounts			
At 30 June 2022	45,000	74,030	119,030
At 31 December 2021	45,000	82,898	127,898

Notes to the Financial Statements

For the period ended 30 June 2022

Company

In thousands of naira	**Goodwill**	**Computer Software**	**Total**
Cost			
Balance at 1 January 2022	-	-	-
Assets acquired in business combination	-	2,410	2,410
Additions	-	3,034	3,034
Balance at 30 June 2022	-	5,444	5,444
Balance at 1 January 2021	-	-	-
Additions	-	-	-
Balance at 31 December 2021	-	-	-
Accumulated amortization and impairment			
Balance at 1 January 2021	-	-	-
Assets acquired in business combination	-	(653)	(653)
Charge for the year	-	(530)	(530)
Impairment of software development cost	-	-	-
Balance at 30 June 2022	-	(1,183)	(1,183)
Balance at 1 January 2021	-	-	-
Charge for the year	-	-	-
Impairment of software development cost	-	-	-
Balance at 31 December 2021	-	-	-
Carrying amounts			
At 30 June 2022	-	4,261	4,261
At 31 December 2021	-	-	-

Notes to the Financial Statements

For the period ended 30 June 2022

14 Investment in subsidiary

(a) Company

In thousands of Naira	Ownership Interest	30-Jun-22	31-Dec-21
Maryland Mall Limited (See (i) below)	100.00%	2,258,716	2,258,716
Purple Real Estate Development Company Limited (See (ii) below)	-	-	240,486
Lekki Retailtainment Limited (See (iii) below)	100.00%	123,500	123,500
Purple Proptech Limited (See (iv) below)	100.00%	157,332	117,928
Purple Urban Limited (See (v) below)	49.00%	490	-
Purple Asset Managers (See vi) below)	100.00%	195,000	-
Impairment allowance over investment in subsidiaries		(108,759)	(108,759)
Total		2,626,279	2,631,871

(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.

(ii) Purple Real Estate Development Company was a Group entity with two subsidiaries namely (Purple Urban Limited and Purple Asset Managers Limited ("Alternative Capital Partners Limited"). Upon the merger of PREDCO, into PREIP, its two subsidiaries became direct subsidiaries of PREIP.

(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.

(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 purchase of shares at N39.4m.

(v) The principal activity of Purple Urban Limited include to carry on business as agents for real estate, housing, land and property dealers and to advertise and assit for sale or purchase of properties.

(vi) The principal activity of Purple Asset Managers Limited include making equity and quasi-equity investments in select real estate, hospitality, fast moving consumer goods, infrastructure, oil & gas sectors, as well as corporate institutions.

(b) Condensed results of consolidated entities

30 June 2022

In thousands of Naira	Group	Elimination entries	Purple Real Estate Income Limited (Parent)	Lekki Retailtainment Limited (Subsidiary)	Maryland Mall Limited (subsidiary)	Purple Urban Limited (subsidiary)	Purple Asset Manager Limited (Subsidiary)	Purple Proptech Limited (subsidiary)
Condensed statement of profit or loss								
Total operating income/(loss)	984,604	(191,807)	12,086	537,230	610,951	16,272		(128)
Fair value gain on investment properties	480,088	-	53,888	-	426,200	-	-	
Other income	47,611	(138,911)	154,622	17,661	1,173	13,066		-
Finance cost	(356,585)	(2,309)	-	-	(354,276)		-	-
Operating expenses	(212,739)	285,001	(103,516)	(5,549)	(325,473)	(6,184)	-	(57,018)
Personnel expenses	(257,045)	(519)	(256,526)	-	-			
Impairment writeback/(loss)	252,143	72,219	239,717	(169,451)	135,996	(26,338)	-	-
Profit/(Loss) before taxation	938,077	23,674	100,271	379,891	494,571	(3,184)	-	(57,146)
Taxation	(193,399)	-	-	-	-	-	-	-
Profit for the year after taxation	744,678	23,674	100,271	379,891	494,571	(3,184)	-	(57,146)

In thousands of Naira	Group	Elimination entries	Purple Real Estate Income Limited (Parent)	Lekki Retailtainment Limited (Subsidiary)	Maryland Mall Limited (subsidiary)	Purple Urban Limited (subsidiary)	Purple Asset Manager Limited (Subsidiary)	Purple Proptech Limited (subsidiary)
Condensed statement of financial position								
Assets								
Investment property	19,801,246	(1,238)	771,300	7,509,684	11,521,500	-	-	-
Property and equipment	153,132	-	63,902	-	79,426	-	-	9,804
Intangible assets and goodwill	119,030	45,000	4,261	-	-	-	-	69,769
Investment in subsidiary	-	(2,626,279)	2,626,279	-	-	-	-	-
Trading properties	5,978,745	-	1,162,021	-	-	4,816,724	-	-
Account receivable	695,380	(2,695,630)	47,417	1,738,314	1,272,059	333,220	-	-
Other asset	1,856,744	(4,170,141)	6,018,141	-	5,320	-	-	3,424
Investment securities	263,397	(150,000)	263,397	-	-	-	150,000	-
Cash and cash equivalents	1,946,009	-	1,094,575	384,593	18,998	446,376	-	1,467
Total assets	30,813,683	(9,598,288)	12,051,293	9,632,591	12,897,303	5,596,320	150,000	84,464
Equity and Liabilities								
Ordinary Share capital	2,061,443	(13,000)	2,061,443	1,000	10,000	1,000	-	1,000
Preference Share capital	-	(10)	-	-	10	-	-	-
Share premium	1,345,281	(1,906,764)	1,345,281	-	1,906,764	-	-	-
Accumulated Surplus/(deficit)	6,517,754	372,638	488,661	662,298	5,171,111	(10,791)	-	(166,163)
Fair value reserves	-	(128,832)	-	122,500	-	-	(150,000)	156,332
Prepaid share capital reserves	10,000	-	10,000	-	-	-	-	-
Common control acqusition deficit	(94,408)	(64,380)	(30,028)					
Non-controlling interest	(6,311)	(6,311)	-	-	-	-	-	-
Borrowing	19,394,149	-	7,609,410	1,593,530	4,927,538	5,263,668	-	-
Current tax liabilities	550,053	156,146	210,239	178,688	4,980	-	-	-
Deferred revenue-deposits from customers	36,809	36,809	-	-	-	-	-	-
Other Liabilities	998,912	(7,744,587)	356,287	7,074,574	876,899	342,444	-	93,295
Total equity and liabilities	30,813,682	(9,298,291)	12,051,293	9,632,590	12,897,302	5,596,321	(150,000)	84,464

Notes to the Financial Statements

For the period ended 30 June 2022

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Condensed results of consolidated entities

30 June 2021 Unaudited

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 Asset Manager Limited (Subsidiary)	Purple Proptech Limited (subsidiary)
Condensed statement of profit or loss								
Total operating income	626,805	(223,996)	-	304,115	547,973	(823)	-	(464)
Other income	32,073	(141,402)	167,063	1,911	111	4,390	-	-
Fair value loss on investment properties	504,805	(44,633)	44,633	188,170	316,635	-	-	-
Finance cost	(355,814)	(29,750)	-	-	(326,064)	-	-	-
Operating expenses	(164,405)	277,344	(129,658)	(3,045)	(272,349)	-	-	(36,697)
Personnel expenses	(155,306)	(155,306)	-	-	-	-	-	-
Impairment loss/writeback	147,230	160,517	-	(208)	(7,354)	(5,725)	-	-
Loss before taxation	635,388	(157,226)	82,038	490,943	258,952	(2,158)	-	(37,161)
Taxation	(100,880)	(14,391)	-	(85,000)	(1,489)	-		-
Loss for the year after taxation	534,508	(171,617)	82,038	405,943	257,463	(2,158)	-	(37,161)

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 as restated								
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	127,898	45,000	-	-	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	(7,326,864)	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	5,956,978	(315,371)	575,485	623,253	4,931,709	133,992	-	7,910
Fair value reserves	-	-	-	-	-	-	-	-
Deposit for shares	1,125,378	-	1,125,378	-	-	-	-	-
Non-controlling interest	(4,687)	(4,687)	-	-	-	-	-	-
Borrowing	15,575,749	-	3,027,884	1,715,579	5,052,526	5,779,761	-	-
Current tax liabilities	356,654	2,959	6,860	114,754	85,952	146,129	-	-
Deferred revenue-deposits from customers	281,865	-		281,865	-	-	-	-
Other Liabilities	1,206,433	(4,939,991)	74,873	5,305,051	408,626	293,442	-	64,432
Total equity and liabilities	26,417,968	(7,326,864)	6,730,078	8,041,502	12,395,587	6,504,324	-	73,342

Notes to the Financial Statements

For the period ended 30 June 2022

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, Maryland Macro and Project lowrise as at 30 June 2022. The cost is split between land and building as follows:

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Land (See (i) below)	3,600,549	4,033,230	1,162,021	-
Building (work-in-progress) (See (ii) below)	2,378,196	2,810,116	-	-
	5,978,745	6,843,346	1,162,021	-

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

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance, beginning of the period/year	6,843,346	1,192,425	-	-
Cost capitalized	2,383,307	1,452,195	135,740	-
Interest capitalized on borrowings	895,750	660,893	-	-
Transfer to cost of sales	(2,754,602)	(745,890)	-	-
Acquired under common control	-	-	1,026,281	-
Reclassification to investment property (See note 11a)	(1,389,056)	-	-	-
Acqusition of Land	-	4,283,723	-	-
Balance at the end of the period/year	5,978,745	6,843,346	1,162,021	-

	In thousands of Naira		Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
	Category	**Description**				
(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	-	-
		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 former Purple Real Estate Development Company.	1,162,021	1,026,281	1,162,021	-
		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.	2,438,528	3,839,329	-	-
			3,600,549	**5,310,004**	1,162,021	
(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.	2,378,196	1,533,342	-	-
			2,378,196	**1,533,342**	-	-
			5,978,745	**6,843,346**	**1,162,021**	**-**

16 Account receivable

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Financial assets:				
Receivables on service charge and utilities	75,765	75,406	-	-
Receivables on customers lease rental	87,403	40,457	-	-
Account/Fee Receivable	15,010	30,180	-	-
Receivables on adverts	16,129	32,916	-	-
Bishopsgate project receivables	12,170	-	12,170	-
Maple Mews Project receivables	-	-	-	-
Redworth Terraces receivables	-	-	-	-
Maryland Macros receivable	15,010	-	-	-
Receivables Macro offtakers	31,378	-	31,378	
Receivables from residential offtakers	184,500	-		
Recevables from Lekki offtakers	274,577	-	-	
Overseas company set up cost	31,378	-	3,869	-
	743,320	178,959	47,417	-
Impairment allowance on financial assets (See note 16 (a))	(47,940)	(19,278)	-	-
Total - financial assets	695,380	159,681	47,417	-
Non-financial assets:				
WHT Receivables	25,186	25,186	-	-
Impairment allowance on non financial assets	(25,186)	(25,186)	-	-
Total - Non financial assets	-	-	-	-
Account receivables (financial and non financial assets)	**695,380**	**167,985**	**47,417**	**-**

(a) Movement in impairment allowance on account receivables

30-Jun-22

	12 months ECL	**Lifetime ECL**	**Total**
Balance at 1 January	19,278	25,186	44,464
Write-back during the year	-	-	-
Impairment loss on financial assets	28,662	-	28,662
	47,940	25,186	73,126
Impairment loss on non-financial assets (see note 10)	-	-	-
Balance at 30 June	47,940	25,186	73,126

Notes to the Financial Statements

For the period ended 30 June 2022

31-Dec-21

	12 months ECL	Lifetime ECL	Total
Balance at 1 January	7,008	83,200	90,208
Impairment acquired (See note 16 (b))	-	(83,200)	(83,200)
Impairment loss on financial assets (see note 10)	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

17 Other asset

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Due from Purple Capital Partners (see(i) below)	4,944	-	-	-
Due from Purple Retail Limited (see(i) below)	1,728	199,166	1,218	196,706
Due from Lekki Retailtainment Limited	-	-	5,524,874	4,010,663
Due from Purple Proptech Limited	-	-	89,960	-
Due from Purple Real Estate Development Limited	30,859	-	-	30,859
Due from Maryland Mall Limited	-	-	85,654	
Due from Purple Urban Limited	-	-	326,895	-
Deposit for investments in Purple Money Microfinance Bank	125,000	-	125,000	-
Contract Asset Lekki offtakers	588,252	-	-	-
Contract asset- nano fit-out	1,099,639	-	-	
Receivable on project Nano fit-out	144,176	-	-	-
Prepayments	34,163	42,130	25,420	-
	2,028,761	241,296	6,179,021	4,238,228
Impairment allowance on other receivables (see (ii) below)	(172,017)	(161,697)	(160,880)	(226,240)
	1,856,744	79,599	6,018,141	4,011,988

(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 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Opening Balance	161,697	432,517	226,240	129,798
Impairment acquired on business combination	270,820	-	-	-
Impairment charge/(write-back) (see note 10(i))	(260,500)	(271,020)	(65,360)	96,442
Closing balance	172,017	161,697	160,880	226,240

(iii) Analysis of impairment of other assets in P/L are as follows:

In thousands of naira *Impairment/(writeback)*	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Bishops gate receivable	-	(3,131)	-	-
Receivables from Purple Retail Limited	-	2,615	(65,960)	-
Lekki Retailtanment Limited	-	-	-	-
Purple Capital Partners Limited	(260,500)	(110,924)	-	-
Closing balance	(260,500)	(111,440)	(65,960)	-

18 Investment securities

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Investment in unquoted equities - V8 Capital Partners Limited	83,524	77,469	83,524	77,469
Investment in Silvercrest Capital Management Fund (See i below for details)	64,473	-	64,473	-
Investment in TK Tech Africa Limited (see note ii for details)	115,400	-	115,400	-
Closing balance	263,397	77,469	263,397	77,469

Movement analysis of investment securities

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance as beginning of year	77,469	150,929	77,469	42,794
Foreign exchange gain on investment valuation	6,054	4,894	6,054	4,894
Disposal of investments	-	(108,135)	-	-
Additions	179,874	29,781	179,874	29,781
Balance as at end of period/year	263,397	77,469	263,397	77,469

(i) Silvercrest Capital Management (SCCM) is an experienced Funds Manager which invests through a diversified portfolio consisting of Vanilla, Structured and Synthetic Financial Instruments. The strategy is an Absolute Return Investment designed to outperform traditional equity and Fixed Income-based Investments in terms of Annualized Returns. The balance represents the group's valuation of the share of net assets of the fund under management by SilverCrest Management. They are measured at fair value through profit or loss. The share of net asset represents the fair value of the investments.

(ii) TK Tech is a technology company that is focused on using blockchain technology to digitize assets, create alternative asset classes and transform financial market transactions in Africa. TK Tech has a subsidiary, Digix Technologies Limited ("Digix"), of which it owns 90% of the total equity and also intends to expand into different jurisdictions across Africa. The balance represents the amount invested for 7.4% of the Company ordinary share value. The investment was done in May 2022 and the cost invested was determine to be approximate the fair value as at 30 June 2022.

19 Cash and cash equivalents

(a)

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Cash in hand	15	-	15	-
Balances with banks	923,287	78,126	910,695	8,749
Placements	974,498	1,858,549	134,075	-
Money market funds	50,209	50,000	50,209	-
Cash and cash equivalent for cash flow statement	1,948,009	1,986,675	1,094,994	8,749
Impairment allowance on cash equivalents	(2,000)	(22,305)	(419)	-
Net cash equivalents	1,946,009	1,964,370	1,094,575	8,749

Notes to the Financial Statements

For the period ended 30 June 2022

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

			12 months ECL Allowance	
In thousands of Naira	**30-Jun-22**	**31-Dec-21**	30-Jun-22	31-Dec-21
Balance at beginning of period/year	-	-	22,305	-
Net measurement of loss allowance (see note 9)	419	-	(20,305)	22,305
Balance at end of period/year	419	-	2,000	22,305

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 4,122,886,833 ordinary shares of N0.50 each. Amounts in excess of N0.50 per share is recognised in share premium as at 30 June 2022.

The Company had an opening balance of 2,587,940,000 ordinary share capital of N0.50 each owned by Purple retail limited and 76 other shareholders. During the period, 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 N225 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 incresased 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 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
4,122,886,833 ordinary shares of N0.50 each (2021: 2,587,940,032 ordinary shares at N0.50 each)	2,061,443	1,293,970	2,061,443	1,293,970
Issued and fully-paid:				
4,122,886,833 ordinary shares of N0.50 each (2021: 2,587,940,032 ordinary shares at N0.50 each)	2,061,443	1,293,970	2,061,443	1,293,970

(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 N225 per share which resulted in an additional share premium of N524,386,404. (see note (20a))

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance, beginning of the year	625,628	1,374,993	625,628	1,374,993
Transfer to share capital	(47,820)	(1,273,752)	(47,820)	(1,273,752)
Additions to share premium	767,473	524,387	767,473	524,387
Balance, end of the year	1,345,281	625,628	1,345,281	625,628

(c) Retained earnings

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance, beginning of the period/year	5,956,978	4,637,669	575,485	455,819
Profit for the period	744,678	1,314,112	98,702	262,003
Transactions between owners of subsidiary recognised directly in equity (See Note 14(a))	-	-	-	-
Dividend declared from retained earnings	(185,526)	-	(185,526)	(142,337)
Loss for the year attributable to and transferred to NCI (see (f) below)	1,624	5,197	-	-
Balance, end of the period/year	6,517,754	5,956,978	488,661	575,485

Retained earnings represents undistributed profits attributable to shareholders

(d) Fair value reserves

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance beginning of period/year	-	8,135	-	-
Fair value gains on managed funds	-	(8,135)	-	-
Balance end of period/year	-	-	-	-

(e) Prepaid share capital reserves

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance beginning of period/year	1,125,378	503,603	1,125,378	503,603
Deposit for shares	-	624,274	-	624,274
Share issue costs	-	(2,499)	-	(2,499)
Transfer to share capital	(1,115,378)	-	(1,115,378)	-
Balance end of period/ year	10,000	1,125,378	10,000	1,125,378

(f) Non-controlling interest

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance, beginning of the period/year	(4,687)	-	-	-
Transfer of non-controlling interest to equity	-	510	-	-
Loss during the year attributable to non-controlling interest (See note (i) below)	(1,624)	(5,197)	-	-
Balance end of period/ year	(6,311)	(4,687)	-	-

	Analysis of NCI in Purple Urban Limited (Direct Subsidiary)	Group 30-Jun-22	Group 31-Dec-21
(i)	NCI Percentage	51%	51%
	Non-current assets	4,816,724	4,414,807
	Current assets	776,414	836,104
	Non-current liabilities	(5,263,668)	(5,256,602)
	Current liabilities	(342,444)	(4,100)
	Net liabilties	(12,974)	(9,791)

Notes to the Financial Statements

For the period ended 30 June 2022

Net liabilities attributable to NCI	(6,617)	(4,993)
Revenue	29,338	21,952
Loss as at	(3,184)	(10,191)
OCI	-	-
Total comprehensive income	(3,184)	(10,191)
Loss allocated to NCI	(1,624)	(5,197)
OCI allocated to NCI	-	-

(g) Common control acquisition deficit: See details in note 26.2.5

21 Borrowing

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Vantage Capital Loan (see note (i) below)	4,927,538	5,052,526	-	-
Lucid/Astra (see note (ii) below)	1,813,538	1,332,718	220,008	-
CardinalStone Partners/Citihomes Finance Company (see note (iii) below)	-	906,021	-	-
Bank of Industry Loan (see note (iv) below)	5,000,000	3,027,884	5,000,000	3,027,884
Sukuk Bond (see note (v) below)	5,263,671	5,256,601	-	-
Nova Commercial Paper (see note (vi) below	2,389,402	-	2,389,402	-
	19,394,149	15,575,750	7,609,410	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	02-Nov-22	Existing	Not applicable
ii)	Lucid/Astra	Term loan	Facilitate purchase of Investment Property	25%	Unsecured	NGN	08-Oct-23	Restructured 07 October 2022	Oustanding principal and interest as at 07 October 2022 was rolled forward for an additional one year tenor at an interest rate of 25%.
iii)	Cardinalstone Partners/Citihomes Finance Company	Term loan	Facilitate purchase of Investment Property	17%	Secured against the net issuance of equity of PurpleHoldco and the sale of residential units in the Lekki mall.	NGN	28-Feb-21	Matured	Not applicable
iv)	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	Existing	Not applicable
v	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	01-Mar-26	Existing	Not applicable
vi	Nova Commercial Paper	Bond	Facilitate completion of WIP Investment Property by Purple Urban Limited.	17%	Secured with a legal mortgage on the Group's asset, Purple Real Estate Income Plc Land.	NGN	24-Feb-23	New	Not applicable

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

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance, beginning of the period/ year	15,575,750	8,106,021	3,027,884	-
Additions	8,357,393	8,653,680	7,400,000	3,000,000
Exchange loss (see note 7)	20,547	42,353	-	-
Interest accrued	336,038	669,275	223,251	189,901
Interest capitalised as borrowing cost	614,632	425,632	70,785	7,500
Interest repayments during the year	(917,041)	(728,041)	(437,810)	(169,517)
Principal repayment of borrowing	(4,593,170)	(1,593,170)	(2,674,700)	-
Balance end of period/ year	19,394,149	15,575,750	7,609,410	3,027,884
	-			

(c) The borrowings have been classified as follows:

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Long term borrowings				
Bank of Industry Loan	5,000,000	3,027,884	5,000,000	3,027,884
Sukuk Bond	5,263,671	5,256,601	-	-
	10,263,671	8,284,485	5,000,000	3,027,884

Notes to the Financial Statements

For the period ended 30 June 2022

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Short term borrowings				
Vantage Capital Loan	4,927,538	5,052,526	-	-
Lucid/Astra	1,813,538	1,332,718	220,008	-
Cardinalstone Partners/CitiHomes Finance Company	-	906,021	-	-
Nova Commercial Paper	2,389,402	-	2,389,402	-
	9,130,478	7,291,265	2,609,410	-
	19,394,149	15,575,750	7,609,410	3,027,884

22 Taxation

(a) Tax expense

In thousands of naira	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
i *Minimum Tax*				
Minimum Tax	1,569	1,531	1,569	-
ii *Current Tax*				
Income tax expense	171,749	99,349	-	-
Tertiary education tax	20,036	-	-	-
NITDA	25	-	-	-
Nigerian police trust fund levy	20	-	-	-
	191,830	99,349	-	-
Total income tax expense	193,399	100,880	1,569	-

(b) Reconciliation of effective tax rate

	GROUP				COMPANY			
In thousands of naira		30-Jun-22		30-Jun-21		30-Jun-22		30-Jun-21
Profit/(loss) before taxation	%	938,077	%	635,388	%	100,271	%	82,038
Income tax using the statutory tax rate	30%	281,423	30%	190,616	30%	30,081	30%	24,611
Adjusted for:								
Non-deductible expenses	72%	677,072	(16%)	(91,267)	(30%)	(30,081)	(30%)	(24,611)
Tax exempt income	(102%)	(958,495)	0%	-	0%	-	0%	-
Tertiary education tax	2%	20,036	(0%)	-	0%	-	0%	-
Nigerian Police Trust Fund Levy	0%	20	(0%)	-	0%	-	0%	-
NITDA Levy	0%	25	(0%)	-	0%	-	0%	-
Company Income Tax	18%	171,749	0%	-	0%	-	0%	-
Minimum tax	0%	1,569	(10%)	1,531	2%	1,569	0%	-
	21%	193,399	16%	100,880	2%	1,569	0%	-

(d) Current tax liabilities

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

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Balance, beginning of the year	356,654	154,895	6,860	6,745
Acquired tax liability	-	-	201,810	-
Charge for the year				
- Income tax for the year	193,399	201,759	1,569	115
	550,053	356,654	210,239	6,860

Notes to the Financial Statements

For the period ended 30 June 2022

23 Other liabilities

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Financial liabilities:				
Sundry creditors	82,562	36,347	29,939.00	-
Unearned income	79,712	134,150	-	-
Fees and Account payable	155,285	521,370	62,752	-
Dividend payable	3,398	-	3,398	3,398
Payable to related companies (see (i) below)	420,834	254,454	178,404	178,394
Accrued audit fees	31,834	39,588	12,502	12,502
	773,625	985,909	286,995	194,294
Non-financial liabilities:				
VAT payable	79,771	120,708	22,012	
Withholding Tax Payable	145,516	99,816	47,280	22,012
	225,287	220,524	69,292	22,012
TOTAL	998,912	1,206,433	356,287	216,307

(i) Payable to related companies mainly relates to amount payable to Purple Capital Partners Limited and Purple Retail Managers Limited N420.8m (2021: 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 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Deposits for customers (see (i) below)	36,809	281,865	-	-
	36,809	281,865	-	-

(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.

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.

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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.

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
30-Jun-22

In thousands of naira	Note	Carrying Amount (Gross)	12 months ECL Allowance	Lifetime ECL Allowance	Carrying Amount (Net)
Cash and cash equivalents	19	1,948,009	(2,000)	-	1,946,009
Account receivables*	16	743,320	-	(47,940)	695,380
Other asset	17	2,028,761	-	(172,017)	1,856,744
		4,720,090	(2,000)	(219,957)	4,498,133

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

**Amounts reported exclude non financial assets*

Cash and Cash equivalents
The Group held cash and cash equivalents of N1.9 billion as at 30 June 2022. The cash and cash equivalents consist of N396 million call deposit with Stanbic IBTC Bank Plc, 628.2 million call deposits in Purple money, Jaiz, EAC and Money Market funds, N6.6 million cash in Stanbic IBTC Bank Plc, N849.4 million in keystone Bank and N13.1 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.

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(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

30 June 2022	Note	Carrying amount	Contractual cash flows	6 months or less	6-12 months	Over 1 year
In thousands of naira		₦'000	₦'000	₦'000	₦'000	₦'000
Financial assets						
Cash and cash equivalents	19	1,946,009	1,946,009	1,946,009	-	-
Other receivables	16	695,380	695,380	410,575	187,210	97,595
Total financial assets		2,641,389	2,641,389	2,356,584	187,210	97,595
Financial liabilities						
Other liabilities	23	773,625	783,196	305,485	45,999	431,712
Borrowing	21	19,394,149	20,577,340	2,045,999	2,597,235	15,934,106
Total financial liabilities		20,167,774	21,360,536	2,351,484	2,643,234	16,365,818
Gap (Asset - Liabilities)			(18,719,147)	5,100	(2,456,024)	(16,268,223)
Cumulative liquidity gap			(18,719,147)	5,100	(2,450,924)	(18,719,147)

31 December 2021	Note	Carrying amount	Contractual cash flows	6 months or less	6-12 months	Over 1 year
In thousands of naira		₦'000	₦'000	₦'000	₦'000	₦'000
Financial assets						
Cash and cash equivalents	19	1,964,370	1,964,370	1,964,370	-	-
Other receivables	16	159,681	159,681	59,681	67,345	32,655
Total financial assets		2,124,051	2,124,051	2,024,051	67,345	32,655
Financial liabilities						
Other liabilities	23	1,006,407	783,196	305,485	45,999	431,712
Borrowings	21	15,575,750	16,552,450	1,045,999	1,572,345	13,934,106
		16,582,157	17,335,646	1,351,484	1,618,344	14,365,818
Gap (Asset - Liabilities)			(15,211,595)	672,567	(1,550,999)	(14,333,163)
Cumulative liquidity gap			(15,211,595)	672,567	(878,432)	(15,211,595)

Company

30 June 2022	Note	Carrying amount	Contractual cash flows	6 months or less	6-12 months	Over 1 year
In thousands of naira		₦'000	₦'000	₦'000	₦'000	₦'000
Financial assets						
Cash and cash equivalents	19	1,094,575	1,094,575	1,094,575	-	-
Other receivables	16	47,417	47,417	12,500	8,900	26,017
		1,141,992	1,141,992	1,107,075	8,900	26,017
Financial Liabilities						
Other liabilities	23	356,287	356,287	156,350	89,375	110,562
Borrowings	21	7,609,410	9,359,285	-	258,000	9,101,285
		356,287	9,715,572	156,350	347,375	9,211,847
Gap (Asset - Liabilities)			(8,620,997)	938,225	(347,375)	(9,211,847)
Cumulative liquidity gap			(8,620,997)	938,225	590,850	(8,620,997)

31 December 2021	Note	Carrying amount	Contractual cash flows	6 months or less	6-12 months	Over 1 year
In thousands of naira		₦'000	₦'000	₦'000	₦'000	₦'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
		3,102,757	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)

(c) **Market risk**

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

(i) **Currency risk**

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

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

In thousands of naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
	USD N'000	USD N'000	USD N'000	USD N'000
Financial assets				
Cash and cash equivalents	3,682	551	-	-
	3,682	551	-	-
Financial liabilities				
Rental deposit	-	-	-	-
Borrowings	(4,927,538)	(5,052,526)	-	-
Net exposure	(4,923,856)	(5,051,975)	-	-

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 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Increase in currency rate by 5%	(246,193)	(252,599)	-	-
Decrease in currency rate by 5%	246,193	252,599	-	-

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

	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
	₦	₦		
USD $ 1	421.29	424.11	-	-

(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 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Interest bearing assets:					
Placements	19	974,498	1,858,549	134,075	-
Money Market funds	19	50,209	50,000	50,209	-
		1,024,707	1,908,549	184,284	-
Interest bearing liabilities:					
Borrowings	21	19,394,149	15,575,750	7,609,410	3,027,884
Net interest bearing assets		(18,369,442)	(13,667,201)	(7,425,126)	(3,027,884)

Sensitivity of net projected interest income

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
Increase in interest rate by 1%	(183,694)	(136,672)	(74,251)	(30,279)
Decrease in interest rate by 1%	183,694	136,672	74,251	30,279

Notes to the Financial Statements

For the period ended 30 June 2022

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 movements 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 period end, the Group holds trading property with a carrying value of N6biliion (2021: N3billion). 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.

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.

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 Income Plc as investment property because it is held for an undetermined future and is subject to capital appreciation.

26.2.4 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 the 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.

26.2.5 Determination of control over investees

Although the Group owns 49% of Purple Urban Limited (a direct subsidiary consolidated), 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.

26.2.6 **Business combination - common control transaction**

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset.

When the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

A business combination is a "common control combination" if the combining entities are ultimately controlled by the same party both before and after the combination; and common control is not transitory. A business combination involving entities or businesses under common control are outside the scope of IFRS 3: *Business Combinations* , and there is no specific IFRS guidance.

Accordingly, directors has applied its judgement to develop an accounting policy that is relevant and reliable, where there is no specifically applicable standard or interpretation in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* . In making this judgement, the directors consider the requirements of IFRS dealing with similar and related issues and the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the framework. The directors also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS Framework or any other IFRS or interpretation.

In accounting for the common control transaction, management has decided to adopt the book value accounting on the basis that the investment has simply been moved from one part of the group to another. The chosen accounting policy shall be applied consistently to all common control transactions. In applying book value accounting, an adjustment may be required in equity to reflect any difference between the consideration paid and the capital of the acquiree. Management has decided to reflect the adjustment in a capital account called “common control acquisition reserves”.

Business combination

(a) **Acquisition of Purple Real Estate Development Company Limted**

On 31st March 2022, Purple Retail Estate Income Plc (formerly "Purple Real Estate Income Limited") combined the operations of Purple Real Estate Development Company ("PREDCO") with that of its opertaions. The shares of PREDCO were previously owned by PREIP. The Merger was executed based on a share sales agreement detailed in the Scheme of Merger after holding a court ordered meeting of the shareholders. The scheme of Merger inidcates of a 100% acquisition of the shares of PREDCO at no consideration. This was done as PREDCO and PREIP have the same ultimate benficial owner (Purple Retail Limited) and PREDCO has always being a subsidiary of PREIP, thus under common control.

In determining the acquisition date, the date in which the transaction was agreed to by both parties i.e. 31 March 2022 was adopted and the financial statements of PREDCO as at 31 March 2022 was used in determining the net asset at acquisition date.

The business combination has been accounted for, from the perspective of the ultimate controlling entity Purple Retail Limited. The book value of the assets and liabilities was considered on the basis that the acquisition is a common control transaction and the investments simply moved from one part of the group to another. In applying book value accounting, an adjustment has been made in equity (common control deficit) to reflect the difference of ₦30million between the deficit of nets assets over the Company's investment while a deficit of N94m was also recognised by the group.

(b) Determination of common control acquisition deficit

In thousands of naira	Company	Group
Identified Net assets as at 1 January 2022	535,158	340,957
(Loss)/profits for period ending 31 March 2022	(75,290)	99,531
Investments in subsidiaries held by PREDCO	(195,490)	(195,490)
Net assets as at 31 March 2022	**264,378**	**244,998**
Carrying amount of Investment in PREDCO as at 31 March 2022	240,486	240,486
Receivables from PREDCO as at 31 March 2022	53,920	53,920
Goodwill to be recognised at the group	-	45,000
Total value of PREIL investments in PREDCO	**294,406**	**339,406**
Common control acquisition deficit	**(30,028)**	**(94,408)**

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) 30 June 2022

	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	923,287	-	923,287	923,287	-	-	923,287
Account receivable	16	743,320	-	743,320	743,320	-	-	743,320
Other receivable	17	2,028,761	-	2,028,761	2,028,761	-	-	2,028,761
		3,695,368	-	3,695,368	3,695,368	-	-	3,695,368
Financial liabilities:								
Other liabilities	23	-	773,625	773,625	-	773,625	-	773,625
Borrowings	21	-	19,394,149	19,394,149	-	19,394,149	-	19,394,149
		-	20,167,774	20,167,774	-	20,167,774	-	20,167,774

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 not measured at fair value:								
Cash and cash equivalents	19	78,126	-	78,126	78,126	-	-	78,126
Account receivable	16	178,959	-	178,959	178,959	-	-	178,959
Other receivable	17	241,296	-	241,296	241,296	-	-	241,296
		498,381	-	498,381	498,381	-	-	498,381
Financial liabilities not measured at fair value:								
Other liabilities	23	-	985,909	985,909	985,909	-	-	985,909
Borrowings	21	-	15,575,750	15,575,750	15,575,750	-	-	15,575,750
		-	16,561,659	16,561,659	16,561,659	-	-	16,561,659

28 Non-controlling interest

Non-controlling interest is attributable to:

In thousands of Naira	Group 30-Jun-22	Group 31-Dec-21	Company 30-Jun-22	Company 31-Dec-21
EAC Trustees Limited	(510)	(510)	-	-
Purple Urban Limited	(510)	(510)	-	-

29 Contingencies

(a) **Pending litigation and claims**

As at 30 June 2022, there were no known pending claims and litigations against the Group arising in the normal course of business (2021: Nil).

(b) **Guarantee and contingent liabilities**

There were no known guarantees and contingent liabilities as at the period end (2021: Nil).

(c) **Financial commitments**

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

30 Group entities

Significant subsidiaries

	Nature of business	**Financial period end**	**Investment in Subsidiaries**	**Investment in Subsidiaries**	**Ownership interest**	**Ownership interest**
In thousands of Naira			**30-Jun-2022**	**31-Dec-2021**	**30-Jun-2022**	**31-Dec-2021**
Maryland Mall Limited	Real estate management and development	31 December	2,258,716	2,258,716	100.00%	100.00%
Lekki Retailtainment Limited	Real estate management and development	31 December	123,500	123,500	100.00%	100.00%
Purple Urban Limited	Real estate management and development	31 December	490	490	49.00%	49.00%
Purple Asset Managers Limited	Equity investment in choice entities	31 December	195,000	195,000	100.00%	100.00%
Purple Proptech Limited	E-commerce (Technology Platform)	31 December	157,332	117,928	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 in making financial and operational decisions, or one other party controls both. From the Group's perspective, this definition includes key management personnel which are directors and the following entities Below. All related parties transactions have been identifed and shown in notes 17,21 and 23 of this financial statements.

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 Urban Limited	Subsidiary company
Purple Proptech Limited	Subsidiary company
Purple Asset Managers Limited	Subsidiary company
Lucid/Astra	Sister company

32 Events after the reporting period

There were no events after the reporting period which could have a material effect on the financial position of the Company as at 30 June 2022 and its financial performance for the period ended which have not been adequately provided for or disclosed.

33 Reconciliation of statement of cash flow

(a) Investment property

In thousands of naira	Note	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Balance at start of the year	11	17,029,640	12,468,784	-	-
Balance at end of the year	11	(19,801,246)	(14,809,839)	-	-
Reclassification from trading prop	11	1,389,056	-	-	-
Fair value changes in investment property	6(b)	480,088	504,809	-	-
Net cash outflow		(902,462)	(1,836,246)	-	-

(b) Account receivable

In thousands of naira	Note	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Balance at start of the period	16	159,681	167,985	-	-
Balance at end of the period	16	(695,380)	(266,719)	-	-
Impairment allowance - WHT	9	-	(74)	-	-
Impairment allowance - Account Receivable	9	28,662	(35,471)	-	-
Net cash outflow		(564,361)	(63,189)	-	-

(c) Investment securities

In thousands of naira	Note	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Balance at start of the year	18	(77,469)	(150,929)	77,469	42,794
Balance at end of the year	18	(263,397)	(77,469)	263,397	77,469
Fair value changes	18	6,054	34,675	6,054	34,675
Net cash outflow		(179,874)	108,135	(179,874)	-

(d) Other liabilities

In thousands of naira	Note	Group Audited 30-Jun-22	Group Unaudited 30-Jun-21	Company Audited 30-Jun-22	Company Unaudited 30-Jun-21
Balance at start of the year	23	(1,488,298)	(1,698,901)	(74,873)	(67,111)
Balance at end of the year	23	1,035,721	1,488,298	356,287	74,873
Net cash outflow		(452,577)	(210,603)	281,414	7,762

(e) Other assets

In thousands of naira		Group 30-Jun-22	Group 30-Jun-21	Company 30-Jun-22	Company 30-Jun-21
Balance at start of the year	17	241,296	2,050,196	4,011,989	337,591
Balance at end of the year	17	(2,028,761)	(241,296)	(6,018,141)	(830,446)
Adjusting for other assets acquired under common control		-	-	(1,729,816)	-
Change in other assets		(1,787,465)	1,808,900	(3,735,968)	(492,855)
				-	-

(f) Trading properties under development

In thousands of naira		Group 30-Jun-22	Group 30-Jun-21	Company 30-Jun-22	Company 30-Jun-21
Balance at start of the year	15	6,843,346	1,192,425	-	-
Cost of transferred assets to investment properties		1,059,038	-	-	-
Acquired from common transaction		-	-	1,026,281	-
Net cash outflow		194,437	1,016,850	135,740	-
Balance at end of the period	15	5,978,745	2,209,275	1,162,021	-

(g) Dividend Paid

In thousands of naira		Group 30-Jun-22	Group 30-Jun-21	Company 30-Jun-22	Company 30-Jun-21
Interim dividend received from PREDCO		-	142,337	-	142,337
Dividend received from PREDCO and LRL		300,000	300,000	300,000	300,000
Dividend paid to shareholders	20(c)	(185,526)	-	(185,526)	(142,337)

OTHER NATIONAL DISCLOSURES

Other National Disclosures
Value Added Statement
For the period ended 30 June

Group

In thousands of naira	**Audited 30 June 2022**	**%**	**Unaudited 30 June 2021**	**%**
Gross earnings	4,710,508	364%	1,829,232	185%
Bought-in-materials and services - local	(3,415,846)	-264%	(838,030)	-85%
	1,294,662	100%	991,202	100%
Distribution of Value added:				
To Government:				
Taxation	193,399	15%	100,880	10%
To providers of finance				
Interest expense	356,585	28%	355,814	36%
Retained in the Business:				
To augment reserves	744,678	58%	534,508	54%
Value added	1,294,662	100%	991,202	100%

Other National Disclosures
Value Added Statement
For the period ended 30 June

Company

In thousands of naira	**Audited 30 June 2022**	**%**	**Unaudited 30 June 2021**	**%**
Gross earnings	627,227	626%	211,696	258%
Bought-in-materials and services - local	(526,956)	-526%	(129,658)	-158%
	100,271	100%	82,038	100%
Distribution of Value eroded:				
To Government:				
Taxation	1,569	2%	-	0%
To providers of finance				
Interest expense	-	0%	-	0%
Retained in the Business:				
To augment reserves	98,702	98%	82,038	100%
Value eroded	100,271	100%	82,038	100%

Financial Summary
Group

In thousands of naira	30-Jun-22	31-Dec-21	31-Dec-20	Restated 31-Dec-19	Restated 31-Dec-18
ASSETS					
Non-current assets					
Investment property	19,801,246	17,029,640	12,468,784	11,490,000	12,194,246
Property and equipment	153,132	135,766	90,327	155,190	220,097
Intangible assets	119,030	127,898	22,380	3,600	3,600
Investment in Subsidiary	-	-	-	-	-
Total non current assets	**20,073,408**	**17,293,304**	**12,581,491**	**11,648,790**	**12,417,943**
Current assets					
Trading properties under development	5,978,745	6,843,346	1,192,425	-	-
Account receivable	695,380	159,681	167,985	149,260	183,610
Other asset	1,856,744	79,799	1,617,679	1,368,164	1,631,733
Investment securities	263,397	77,469	150,929	-	-
Cash and cash equivalents	1,946,009	1,964,370	792,718	2,547	58,452
Total current assets	**10,740,275**	**9,124,665**	**3,921,736**	**1,519,971**	**1,873,795**
Total assets	**30,813,683**	**26,417,969**	**16,503,227**	**13,168,761**	**14,291,738**
Share capital	2,061,443	1,293,970	19,000	19,000	19,000
Share premium	1,345,281	625,628	1,374,993	1,374,993	1,374,993
Accumulated surplus/(deficit)	6,517,754	5,956,978	4,637,669	6,489,678	7,408,855
Fair value reserves	-	-	8,135	-	-
Deposit for shares	10,000	1,125,378	503,603	-	-
Common control acquisition reserves	(94,408)	-	-	-	-
Equity attributable to equity holders of the parent company	**9,840,070**	**9,001,954**	**6,543,400**	**7,883,671**	**8,802,848**
Non-controlling interest	(6,311.00)	(4,687.00)	10	10	253,172
Total equity	**9,833,759**	**8,997,267**	**6,543,410**	**7,883,681**	**9,056,020**
LIABILITIES					
Non current liabilities					
Long term borrowings	10,263,671	8,284,485	8,106,021	4,797,768	4,830,422
Total non current liabilities	**10,263,671**	**8,284,485**	**8,106,021**	**4,797,768**	**4,830,422**
Current liabilities					
Current tax liabilities	550,053	356,654	154,895	6,745	6,745
Short term borrowings	9,130,478	7,291,265	-	-	-
Deferred revenue-deposits from customers	36,809	281,865	-	-	-
Other Liabilities	998,912	1,206,434	1,698,901	480,567	398,551
Total current liabilities	**10,716,252**	**9,136,218**	**1,853,796**	**487,312**	**405,296**
Total liabilities	**20,979,923**	**17,420,703**	**9,959,817**	**5,285,080**	**5,235,718**
Total equity and liabilities	**30,813,682**	**26,417,969**	**16,503,227**	**13,168,761**	**14,291,738**

Income statement

In thousands of naira	Audited 30 June 2022	Unaudited 30 June 2021	Unaudited 30 June 2020	Restated Unaudited 30 June 2019	Unaudited 30 June 2018
Total income	4,710,508	1,829,232	472,087	514,829	562,170
Total expense	(3,772,431)	(1,193,844)	(1,404,501)	(1,100,998)	(611,309)
Profit/(loss) before taxation	**938,077**	**635,388**	**(932,414)**	**(586,169)**	**(49,139)**
Tax expense	(193,399)	(100,880)	(34,463)	-	(3,373)
Profit/(loss) after taxation	**744,678**	**534,508**	**(966,877)**	**(586,169)**	**(52,512)**
Other comprehensive income	-	-	4,068	-	-
Total comprehensive income for the period	**744,678**	**534,508**	**(962,809)**	**(586,169)**	**(52,512)**

Financial Summary

Company

In thousands of naira	**30-Jun-22**	**31-Dec-21**	**31-Dec-20**	**31-Dec-19**	**31-Dec-18**
ASSETS					
Investment in subsidiary	2,626,279	2,631,871	2,044,863	1,917,764	1,360,416
Other asset	6,018,141	4,011,989	337,591	-	-
Investment securities	263,397	77,469	42,794	-	-
Cash and cash equivalents	1,094,575	8,749	2,023	-	-
Investment property under development	771,300	-	-	-	-
Property and equipment	63,902	-	-	-	-
Intangible assets and goodwill	4,261	-	-	-	-
Trading properties under development	1,162,021	-	-	-	-
Account receivable	47,417	-	-	-	-
Total assets	**12,051,293**	**6,730,078**	**2,427,271**	**1,917,764**	**1,360,416**
EQUITY					
Share capital	2,061,443	1,293,970	19,000	19,000	19,000
Share premium	1,345,281	625,628	1,374,993	1,374,993	1,374,993
Accumulated surplus	488,661	575,485	455,819	501,026	-51,822
Deposit for shares	10,000	1,125,378	503,603	-	-
Common Control acqusition reserves	(30,028)	-	-	-	-
Total equity	**3,875,357**	**3,620,461**	**2,353,415**	**1,895,019**	**1,342,171**
LIABILITIES					
Current liabilities					
Tax liabilities	210,239	6,860	6,745	6,745	6,745
Other Liabilities	356,287	74,873	67,111	16,000	11,500
Borrowings	7,609,410.00	3,027,883.56	-	-	-
Total liabilities	**8,175,936**	**3,109,617**	**73,856**	**22,745**	**18,245**
Total equity and liabilities	**12,051,293**	**6,730,078**	**2,427,271**	**1,917,764**	**1,360,416**

In thousands of naira	**Audited 30 June 2022**	**Unaudited 30 June 2021**	**Unaudited 30 June 2020**	**Unaudited 30 June 2019**	**Unaudited 30 June 2018**
Total income	627,227	211,696	4,370	-	-
Total expense	(526,956)	(129,658)	(67,847)	(1,750)	(1,750)
Profit/(loss) before taxation	100,271	82,038	(63,477)	(1,750)	(1,750)
Tax expense	(1,569)	-	-	-	(3,373)
Profit/(loss) for the year after taxation	**98,702**	**82,038**	**(63,477)**	**(1,750)**	**(5,123)**
Total comprehensive income for the period	**98,702**	**82,038**	**(63,477)**	**(1,750)**	**(5,123)**