



**AFRILAND  
PROPERTIES**



# SUSTAINING VALUE PEOPLE & PROJECTS





**EXECUTION  
PERFECTED...  
EXCELLENCE  
DELIVERED.**

**A**friland Properties Plc is a property management, investment, and development company offering end-to-end services along the real estate value chain, from management to joint-venture investments.

With a portfolio size of over N12 billion and one of the largest land banks in Nigeria, we bring innovation to the real estate sector in Nigeria and other African countries by drawing on experience, new competencies, and technology to achieve continuous improvement in service delivery to our clientele.

#### **Our services:**

- REAL ESTATE DEVELOPMENT
- FACILITIES MANAGEMENT
- REAL ESTATE ADVISORY SERVICES
- PROPERTY MANAGEMENT, ACQUISITION AND SALES
- PROJECT DEVELOPMENT AND MANAGEMENT
- TECHNICAL & COST CONSULTANCY

#### **CONTACT US:**






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#### **CORPORATE HEAD OFFICE**

 Afriland Towers, 97/105 Broad Street, Lagos Island, Lagos.

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## TABLE OF CONTENT

	DIRECTORS AND OTHER CORPORATE INFORMATION	4
	COMPANY OVERVIEW	6
	RESULTS AT A GLANCE	8
	BOARD OF DIRECTORS PROFILE	9
	EXECUTIVE MANAGEMENT	13
	CHAIRMAN'S REPORT	17
	CEO'S REPORT	21
	CORPORATE GOVERNANCE REPORT	25
	REPORT OF THE DIRECTORS	44
	SUSTAINABILITY REPORT	50
	BOARD EVALUATION REPORT	54
	CORPORATE GOVERNANCE EVALUATION REPORT	55
	STATEMENT OF CORPORATE RESPONSIBILITY	56
	STATUTORY AUDIT COMMITTEE REPORT	58
	STATEMENT OF DIRECTORS' RESPONSIBILITIES	59
	INDEPENDENT AUDITOR'S REPORT	61
	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	65
	STATEMENT OF FINANCIAL POSITION	66
	STATEMENT OF CHANGES IN EQUITY	67
	STATEMENT OF CASH FLOWS	68
	NOTES TO THE FINANCIAL STATEMENTS	69
	VALUE ADDED STATEMENT	123
	FIVE-YEAR FINANCIAL SUMMARY	124
	NOTICE OF ANNUAL GENERAL MEETING	129
	PROXY FORM	134
	E-DIVIDEND MANDATE ACTIVATION FORM	135
	FULL DEMATERIALISATION FORM FOR MIGRATION	136
	SHARE PORTAL APPLICATION FORM	137
	E-SERVICE/DATA UPDATE FORM	138




# A LEGACY OF EXCELLENCE

COMING  
SOON

## Afriland Estate Karmo, Abuja

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 [www.afrilandproperties.com](http://www.afrilandproperties.com)



DIRECTORS  
AND OTHER  
CORPORATE  
INFORMATION

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## DIRECTORS AND OTHER CORPORATE INFORMATION

Emmanuel Nnorom	Chairman
Uzoamaka Oshogwe	Managing Director/Chief Executive Officer
Agatha Obiekwugo	Non-Executive Director
Ayodeji Adigun	Non-Executive Director
Obong Idiong	Non-Executive Director
Olubunmi Akinremi	Independent Non-Executive Director
Owen Omogiafo	Non-Executive Director

Omomene Obanor

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10th & 13th Floors  
UBA House  
57 Marina, Lagos.

United Bank for Africa Plc.

Africa Prudential Plc  
220B, Ikorodu Road  
Palm-grove Lagos.

Ogbemudje Omezi & Co  
M. E. Esonanjor & Co.

# COMPANY OVERVIEW



### WHO WE ARE



Afriland Properties Plc is a property management, investment and development company offering end to end services across the real estate value chain.

With a property portfolio size of over N12billion, one of the largest in Nigeria, Afriland is pioneering the opportunities presented by an institutional approach to real estate, serving niche markets throughout Africa.

We bring innovation to the real estate sector in Nigeria and other African Countries by drawing on experience, new competencies, and technology to achieve continuous improvement in service delivery to our clientele.



### OUR PURPOSE

Improving lives by investing in the development, management and maintenance of world class real estate offerings across Africa.



### ENTERPRISE

- Passion
- Ingenuity
- Tenacity



### EXECUTION

- Hard Work
- Result-Driven
- Accountability



### EXCELLENCE

- Responsiveness
- Diligence
- Distinction



<b>31 December</b>	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>
Revenue	<u>1,891,421</u>	<u>1,638,658</u>
Profit before taxation	1,797,751	1,603,925
Income tax expenses	(611,590)	(1,648,658)
<b>Profit/(Loss) for the year</b>	<u>1,186,161</u>	<u>(44,733)</u>
Earnings Per Share	<u>N0.86</u>	<u>(N0.03)</u>

<b>31 December</b>	<b>2022</b>	<b>2021</b>
	<b>N'000</b>	<b>N'000</b>
Total assets	<u>19,375,329</u>	<u>17,300,830</u>
Total equity	<u>11,244,435</u>	<u>10,019,489</u>

## BOARD OF DIRECTORS PROFILE



**Emmanuel N. Nnorom**  
Chairman

**E**mmanuel N. Nnorom is the Chairman of the Board of Directors of Afriland Properties Plc. He is presently the Group Chief Executive Officer of Heirs Holdings Limited. Prior to joining the Heirs Holdings, he served as the President/CEO of Transnational Corporation of Nigeria Plc, overseeing the Transcorp businesses, including Transcorp Power, Transcorp Hilton Abuja, Transcorp Hotels Calabar and Transcorp Energy. Prior to Transcorp, Emmanuel held senior positions as the Executive Director at United Bank for Africa (UBA) and Managing Director of UBA Africa, overseeing the Group's African subsidiaries and executing corporate strategy in 18 African Countries. Other senior roles held within UBA include, Group Chief Operating Officer, followed by his appointment as Group Chief Financial Officer, with responsibility for Finance and Risk.

He is a Chartered Accountant and brings over three decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College and a prize winner and Fellow of the Institute of Chartered Accountants of Nigeria. He also serves as the Chairman, Transcorp Power Limited and Transcorp Hotels Plc.

He was appointed to the Board of Afriland on October 30, 2014 and has served for a cumulative period of eight (8) years.



**Uzoamaka Oshogwe**  
Chief Executive Officer

**U**zoamaka Oshogwe is the Managing Director/Chief Executive Officer of Afriland Properties Plc. She is a seasoned and skilled professional who joined the company when it was still known as UBA Properties Limited and has garnered over 25 years of working experience in her professional career.

She is responsible for implementing strategic plans, driving organizational success, providing guidance and direction to the Company to ensure that it achieves its financial vision, mission and long-term goals.

She holds a BSc in Chemistry from Ambrose Alli University, Edo state, an MSc in Information Systems Design from the University of Westminster, London and a professional certificate in Real Estate Management from Harvard Business School. She also holds an Advanced Management Program (AMP) certification from Lagos Business School and IESE Business School, Barcelona. Uzo is a member of the Institute of Directors (IoD) Nigeria.

She is a RICS Accredited Civil and Commercial Mediator and a Fellow of the Institute of Management Consultants. Her career progression has seen her distinguish herself in international organisations such as Ford Motors UK, Accenture UK, J. Sainsbury's UK and UBA PLC before joining UBA Properties Limited.



**Agatha Obiekwugo**  
Non-Executive Director

**A**gatha Obiekwugo brings on board a proven track record of 25 years of corporate experience spanning across banking, commerce and industry, information technology and consulting. She currently sits on the board of 4 other companies.

As a serial entrepreneur, Agatha is a strategic thinker and has an uncanny ability to spot good business opportunities. This has propelled her to founding ADASSA Energy Limited, a downstream oil and gas company, Treasure Pacs limited, a procurement & logistics company, TNC computers, an Information Technology company and Bulksail limited, a fast moving commodity goods trading company.

Agatha holds a B.A in English & Literary studies from Ambrose Alli University, Ekpoma, Edo State and an MBA in Marketing from the Business School of Enugu State University of Science and Technology. She also has a certificate of completion on strategy execution from Harvard Business School. She recently received an honorary doctorate degree in Business Administration from Enugu State University Of Science and Technology.

Agatha is a founding member of Women in Energy Network where she currently serves on the finance committee of the board.

She was appointed to the Board on October 23, 2018 and has served for a cumulative period of four (4) years.



**Ayodeji Adigun**  
Non-Executive Director

**A**yodeji Adigun is currently the Group Chief Finance Officer at Heirs Holdings Limited. Until his appointment at Heirs Holdings, he was the Executive Director/Chief Operating Officer at Nova Merchant Bank Limited. He has over three decades of banking and finance experience with strong background and competencies in financial control, performance management, project management, operations, audit, strategic planning and business transformation.

Prior to joining Nova Merchant Bank, he was the Chief of Staff to the Group Managing Director/Chief Executive Officer at United Bank for Africa Plc (UBA). He also served as the Head, Strategy and Business Transformation, Head, Performance Management, the Chief Financial Officer (North Region), and Chief Operating Officer, UBA Properties.

He has served in several executive roles in the banking industry including the Chief Finance Officer at Standard Trust Bank, Head Financial Control & Strategy at Diamond Bank, Head Financial Control & Head Corporate Planning & Development at NAL Merchant Bank (now part of Sterling Bank).

Before joining the banking industry, he worked at Ernst & Young after a brief stint as an Assistant Lecturer at the University of Lagos. Mr. Adigun possesses a B.Sc. Hons in Accounting (First Class) from the University of Lagos.

He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Associate Member of the Chartered Institute of Management Accountants UK (CIMA) and an Associate Member of the Chartered Institute of Taxation of Nigeria (CITA). He is an alumnus of the Lagos Business School.

He was appointed to the Board on February 15, 2021 and has served a cumulative period of two (2) years.



**Obong Idiong**  
Non-Executive Director

**O** **Obong Idiong** is the Chief Executive Officer of Africa Prudential Plc, charged with driving the Company's digital transformation agenda, which has seen the Company evolve its traditional Registrar business and expand into digital technology offerings including the development and implementation of business solutions across the financial, hospitality, transportation, cooperative, e-commerce sector, etc.

He previously worked with Alpha Juris Chambers, Lagoon Home Savings & Loans Limited, and Standard Trust Bank.

With over 19 years of post-call legal working experience in corporate, commercial legal practice, banking, and financial advisory services, he also brings on board valuable experience in digital transformation.

He holds several qualifications in the legal, finance, and technology fields. He is an alumnus of the Nigerian Law School, the University of Liverpool, Lagos Business School and IESE Business School, the Massachusetts Institute of Technology, among others. He is also a member of the Nigeria FinTech Fund Advisory Board.

He was appointed to the Board on July 29, 2021 and has served a cumulative period of one (1) year and five (5) months.



**Olubunmi Akinremi**  
Independent  
Non-Executive Director

**O** **lubunmi Akinremi** is an experienced financial expert with over 30 years of top-level experience in investment banking and transactional experience across the UK, USA and Nigeria.

He has served in the public sector as a Special Assistant to the President on economic policy and has rich experience in leading highly motivated teams toward delivering remarkable standards of financing solutions to a diverse universe of clients, including large corporates, governments, multilateral agencies and government parastatals/public enterprises. He has been involved in fundraising exercises that raised over US\$3bn in the Nigeria market alone.

He holds a BA in Economics (Essex, UK), an MBA (Cranfield, UK) and is a member of the Institute of Chartered Accountants in England and Wales.

He was appointed to the Board on October 28, 2021 and has served a cumulative period of one (1) year and two (2) months.



**Owen Omogiafo**  
Non-Executive Director

**M**rs. Owen Omogiafo is the President and Group CEO of Transnational Corporation Plc. Prior to her appointment, she served as the MD/CEO of Transcorp Hotels Plc where she was responsible for driving positive transformation both in Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Owen has over two decades of corporate experience in organizational development, human capital management, banking, change management, hospitality, and energy. She was the Chief Operating Officer at the Tony Elumelu Foundation, before joining the Transcorp group, where she oversaw the \$100m Program aimed at identifying, mentoring, and funding 10,000 entrepreneurs over 10 years.

She previously worked at Accenture as an Organization and Human Performance Consultant, specializing in Change Management. She has also served as a member of the Board of Trustees of the Association of Power Generation Companies (APGC) in Nigeria.

Owen holds a B.Sc. in Sociology & Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics and Political Science, and is an alumnus of the Lagos Business School and IESE Business School, Spain. She is a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, and is a member of the Institute of Directors (IoD) Nigeria.

## EXECUTIVE MANAGEMENT



**Uzoamaka Oshogwe**  
 Chief Executive Officer

**Uzoamaka Oshogwe** is the Managing Director/Chief Executive Officer of Afriland Properties Plc. She is a seasoned and skilled professional who joined the company when it was still known as UBA Properties Limited and has garnered over 25 years of working experience in her professional career.

She is responsible for implementing strategic plans, driving organizational success, providing guidance and direction to the Company to ensure that it achieves its financial vision, mission and long-term goals.

She holds a BSc in Chemistry from Ambrose Alli University, Edo state, an MSc in Information Systems Design from the University of Westminster, London and a professional certificate in Real Estate Management from Harvard Business School. She also holds an Advanced Management Program (AMP) certification from Lagos Business School and IESE Business School, Barcelona. Uzo is a member of the Institute of Directors (IoD) Nigeria.

She is a RICS Accredited Civil and Commercial Mediator and a Fellow of the Institute of Management Consultants.

Her career progression has seen her distinguish herself in international organisations such as Ford Motors UK, Accenture UK, J. Sainbury's UK and UBA PLC before joining UBA Properties Limited.



**Kayode Odebiyi**  
 Director, Property Development

**Kayode Odebiyi** is a consummate professional with over 20 years' work experience cutting across Real Estate & Portfolio Management, Strategy Development, Finance & Treasury Management, and Business Development. He has functioned in various roles in his career, amassing knowledge in Analysis, Project Management and Design & Building Efficiency, he has a BSc in Economics and a Master's degree in Business Administration. He is an alumnus of Harvard Graduate School of Design where he completed the Advanced Management Development Program.

Prior to joining Afriland he functioned as the Head, Real Estate Portfolio at Total E&P SMCS Limited responsible for the overall operation and management of the Total cooperative real estate portfolio. He also worked at Legacy Realties Limited, Alitheia Capital Limited, and Trojan Estates Group.



**Obinna Udeagha**  
Director, Properties  
& Facilities Management

**O**binna Udeagha has over 19 year's work experience covering several industries including Real Estate, Banking, Management Consulting, Payment & Technology Consulting, Marketing Communications, and Investments Portfolio Management, working with top-management and executives to identify key business issues and develop solutions. He has been involved in several transformational projects.

He is a certified Lean Kaizen Workshop facilitator and member of the Project Management Institute, the American Society of Quality, and the Society of Petroleum Engineers. He also has a degree in Estate Management.

Prior to Joining Afriland, he was the Chief of Staff to the Group CEO, Heirs Holdings, and had also worked at Emeka Onuorah & Associates, McAnthony Properties, Zenith Bank, Accenture, Bank PHB (now Keystone Bank), Phillips Consulting, Mastercard and Insight Publicis.



**Obiorah Ozugha**  
Chief Financial Officer

**O**biorah Ozugha is an experienced finance professional with over 19 years of various experience in financial management, Financial Planning and Control, Audit and Risk Management, Treasury Management and Financial Advisory.

He is an Associate Member of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITA). He also holds a Higher National Diploma in Accounting from the Institute of Management Enugu and a Masters degree in Business Administration from the **University of Suffolk**.

He started his career with KPMG and also worked with Akintola William Deloitte where he was the team lead in providing Financial Advisory Services to clients in Financial Institutions, Oil and Gas and the Manufacturing Sector. He also worked with Transcorp Hotels Plc as a Finance Manager prior to joining Afriland Properties Plc as the Chief Financial Officer.



**Omomene Obanor**  
Company Secretary/  
Legal Adviser

**O**momene Obanor is an astute and dynamic attorney with over 14 years of professional post-call working experience. Her experience spans different sectors, including Legal, Oil and Gas, and Energy Sector, serving as a Legal adviser and Company Secretary.

She holds an LL.B from University of Benin, MBA from the University of South Wales, UK. She is a member, Chartered Institute of Secretary and Administrators of Nigeria (ICSAN), Nigerian Bar Association. Omomene is also a member of the International Bar Association, International Federation of Women Lawyers (FIDA) and Association of Professional Negotiators and Mediators (APNM).

Before joining Afriland Properties Plc, she worked with G-Eurafric as the Company Secretary and Legal Adviser, JURISLAW Associates, JK Gadzama & Partners and Chevron Nigeria Limited where she garnered experience in litigation, Real Estate, corporate /commercial practice, company secretarial and general business advisory.



**Timothy Adeleye**  
Head, Projects Design

**T**imothy Adeleye is a seasoned professional with over 20 years of experience in engineering design, management and construction. His experience span across commercial and contract management of large engineering projects in building, and civil/structural works as well as oil and gas in countries in Africa and Europe.

He holds a B.Eng in civil engineering from the University of Ilorin and a Masters in Project Management (MPM) from the University of Lagos. He is a member of the Nigerian Society of Engineers (NSE), Nigerian Institution of Civil Engineers (NICE) and is a Registered Chartered member of the Council for the Regulation of Engineering in Nigeria (COREN).

Before joining UBA Properties, now Afriland Properties Plc, Timothy worked at Euro-Tech(Nig) Ltd, Deenlaw Associates and Mortgage Builders Ltd.



**Eneni Halim**  
Head, Special Projects and Facility Mgt.

**E**neni Halim has over 30 years of experience of combined working experience across the Banking sector and construction industry as a Quantity Surveyor/Project Manager.

She holds a B.Tech Quantity Surveying from the Rivers State University ( Formerly Rivers State University of Science & Technology, Port Harcourt, Nigeria) and a Masters degree in Project Management (MPM) from the University of Lagos. She is a Fellow of the Nigerian Institute of Quantity Surveyors and a member of the Quantity Surveyors Registration Board of Nigeria as well as the Project Management Institute inc. Pennsylvania USA.

Before joining UBA Properties, now Afriland Properties Plc, Eneni worked at Construction Economist Partnership (CEP) as a full partner and was the lead Quantity Surveyor for the \$400million Tinapa Business Resort project in Calabar.



**Sarafa Aminu**  
Head, Project Management Office

**S**arafa Aminu is an experienced professional with over 18 years of experience garnered in Engineering and Project management roles.

He holds a B.Eng in Civil Engineering from the Obafemi Awolowo University and is a member of the Nigerian Society of Engineers. He is also a member of the Project Management Institute (PMI), International Association for the Advancement of Cost Engineering (AACE), and American Society for Quality (ASQ).

His portfolio includes projects as Project Manager/Consultant for Total E&P Nigeria Limited, Association De Francaise Nigeria, Proparco, French Consulate, Proparco, Total Deepwater Nigeria Limited, Egina Field and CAP(Dulux).





**Emmanuel Akpan**  
Head, Technical Consultancy

**E**mmanuel Akpan has over 20 years of experience in Quantity Surveying practice and Construction Management.

He holds a B.Tech in Quantity Surveying from the Federal University of Technology, Minna, an Advanced Diploma in Safety & Environmental Management from Obafemi Awolowo University, Ife and an Advanced Diploma in Project manager from the University of Lagos. He is also a member of the Nigerian Institute of Quantity Surveyors (MNIQS).

Before Joining Afriland Properties Plc, He worked at Ikeja Hotels Plc, Qu-ess Partnership and Julius Berger Plc.



**Jennifer Egbukole**  
Head, Human Resources

**J**ennifer Egbukole is a Human Resources professional with over twelve years of experience in Human Resource Affairs. She is well versed in employee recruitment and retention, employee relations, staff development, HR records management, HR policies and procedure development, talent management, organizational and strategic planning.

She holds a BSc in Political Science from Ahmadu Bello University, Zaria, Kaduna and a Masters Degree in International Law & Diplomacy from the University of Lagos. She is certified by the HRCI as a Senior Professional in Human Resources (SPHRI).

Before joining Afriland Properties Plc, she worked for Mitsun Group and Zenith Bank Plc where she garnered valuable experience in Human Resource Management.



**Abimboye Ogunbanjo**  
Head. Estate Management

**A**bimboye Ogunbanjo is an experienced and versatile professional with over 14 years working experience in Estate Management and associated roles.

She holds a B.Tech from the Federal University of Technology Minna and a Masters degree in Facilities Management from University of Lagos. Abimboye is also a member of the Nigerian Institute of Estate Surveyors and Valuers.

Before joining Afriland Properties, she worked for UAC Property Development Company (UPDC) where she garnered valuable experience in Estate Management and Real Estate advisory.

REPORT



**CHAIRMAN'S  
REPORT**



## CHAIRMAN'S REPORT



### The Global Economy in 2022

The year was very challenging for the world's economy as it struggled with headwinds prompted by unabating COVID-19 pandemic in China as well as the consequences of geopolitical tensions between Russia and Ukraine.

The Ukraine and Russia war derailed post-pandemic global economic recovery witnessed in 2021 financial year by complicating matters for policymakers through the disruption to international trade, supply chains and increases in commodity prices which triggered an unprecedented inflationary pressure globally.

To curtail the general rise in prices of goods and services across the globe which had generated living crisis and repricing of transactions in Real Estate, the Central Banks hiked interest rates in their respective countries. This action was to help encourage savings and stabilize economic growth.

The combination of effective responses to the challenging market conditions and the successful implementation of the Company's strategy provided motivation for the growth your company recorded in 2022.

### The Local Economy

According to the National Bureau of statistics

(NBS), the Nigerian economy slowed down in 2022 with the annual Gross Domestic Product (GDP) growth rate closing at 3.10%, against the 3.40% reported in 2021. Growth was hampered by severe incidences of floods experienced across the country, therefore stifling growth in the Agricultural sector.

Notwithstanding the decline in GDP, total contribution of the Real Estate sector in real terms in 2022 stood at 5.64%, higher than the 5.60% reported in 2021. The growth recorded in the Real Estate sector despite decline in aggregate GDP of all sectors in Nigeria is indicative of a sector with huge potentials and opportunities.

Furthermore, as reported in other world economies, inflation sustained its upward flight owing to significant increase in the price of petroleum products, specifically diesel, which recorded a spike in February 2022 due to shortage and increased importation costs. The rise in energy prices also impacted the aviation sector as airlines relied on imported jet fuel for their operations. Headline inflation at the end of 2022 stood at 21.34% showing an increase of 5.1% when compared with 15.63% recorded in 2021.

The Central Bank of Nigeria (CBN) in the performance of its Currency Management function, introduced the redesigning of the

Nigeria currency in October 2022. The policy was aimed at addressing challenges associated with currency counterfeiting, entrenching a cashless economy, and minimizing the incidence of terrorism and kidnapping.

There was a remarkable improvement in daily oil production as output closed at 1.27mbpd in December 2022. The improvement in production was attributed partly to the pipeline surveillance contract which the federal government signed with security outfits in the Niger Delta region of the country.

### Financial Performance

The Company recorded strong growth in its operating performance for the year ended 31 December 2022. The Revenue achieved in the year under review of ₦1.9billion was higher than the 2021 performance of ₦1.6billion by 19%. The other income of ₦0.4billion grew by 38% when compared with ₦0.3billion recorded in 2021.

The Profit Before Tax performance of ₦1.8billion showed a 13% increase in the year as against ₦1.6billion recorded in the prior year.

The company's balance sheet size of ₦19.4billion showed growth of 12% when compared with the ₦17.3billion recorded in the previous year.

The Board recognises the significance of returns generated for our shareholders' investments and support. In view of the aforementioned and the continued confidence in the prospects of our business, reinforced by the 2022 financial year performance, the board of directors is proposing the payment of the sum of N137,390,000 as dividend for the financial year ended 31 December 2022. This translates to 10Kobo per ordinary share. We hereby request your approval of this dividend proposal.

### Activities during the year

During the year under review, the Company

continued with the development of its eight (8) proprietary projects, while thirty-one (31) third party-related projects were undertaken in the period under review with fifteen (15) fully completed and sixteen (16) at different stages of completion across different locations in the country.

### Outlook for 2023

Global economic growth is predicted to slow down sharply resulting from recurring monetary policy contraction, higher interest rates aimed at controlling inflation, worsening financial conditions, and persistent high energy prices due to continued disruptions from Russia's invasion of Ukraine.

The high inflation witnessed in the previous year is expected to moderate in 2023 as global central banks are expected to tighten their monetary policies faster than previously anticipated. In addition, energy and food prices induced inflation are projected to be subdued within the course of the year.

According to International Energy Agency (IEA), global oil demand is set to increase by 1.9 mb/d in 2023, to a record 101.7 mb/d, with nearly half the demand coming from China following the lifting of Covid restrictions in some of their cities. The expected average price for 2023 is \$88.2 per barrel, down by 11% from an average of \$98.8 in 2022.

In view of the above, the World Bank in its Global Economic Prospects report published in January 2023, projected a decline in global economic growth to 1.7% from 3.4% recorded in 2021.

Specifically, growth in the Advanced Economies is projected to decline from 2.7 percent in 2022 to 1.2 percent in 2023; while in the Emerging Market and Developing Economies (EMDEs), growth is projected to rise slightly from 3.9 percent in 2022 to 4.0 percent in 2023, supported by the relaxation of lockdown restrictions in China, boost from pent-up demand and likely upward

movement in commodity prices.

According to the International Monetary Fund (IMF), growth in Sub-Saharan Africa will remain moderate at 3.8 percent in 2023. The small upward revision for 2023 (0.1 percentage point) has incorporated anticipated growth in Nigeria in 2023 arising from measures put in place to address insecurity issues in the oil sector.

According to Deloitte, the global Commercial Real Estate Industry impacted negatively by economic and geopolitical situation in 2022 will continue in the same trajectory in 2023. However, this could change if the energy crisis in western Europe and geopolitical challenges are resolved.

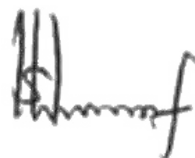
Furthermore, the Federal Government of Nigeria through the Federal Ministry of Finance, Budget, and National Planning has declared that it would discontinue with the regime of fuel subsidy in 2023 in line with the Petroleum Industry Act (PIA) of 2021.

The discontinuity of this policy will have a significant impact on the cost of running our business, especially as it relates to the cost of construction and pricing of our products.

## Conclusion

The performance delivered by the Company this year were through the talent, dedication, and hard work of all our employees, building on existing strategies and new strategies adopted in the year. I would like to take this opportunity to thank and congratulate our Executive Team, my Board colleagues and indeed all employees for their effort over the last year.

The future of the global economy may be uncertain currently, Afriland can look forward to exceling with confidence because of strategies in place to absorb shocks arising from economic uncertainties and deliver on its promises.



**Emmanuel N. Nnorom**  
**Chairman, Board of Directors**

PREP  
REPORT



**CEO'S**  
REPORT



# Dear Shareholders,

I am delighted to welcome you on behalf of the Board of Directors to your Company's 10<sup>th</sup> Annual General Meeting and to present the Annual Report and Financial Statements for the year ended 31 December 2022.

I will highlight key macroeconomics indices during the year and how they influenced the Nigerian business environment and consequently impacted your company's performance.

The year 2022 was critical for our business as it saw us continue with the development of our proprietary and third-party projects with a view to further entrenching our brand in the Real Estate sector amidst significant escalation in prices of building materials and repricing transactions across the country.

Afriland's business goals and objectives which include the following were continued with in 2022:

- Real Estate Development
- Project construction, supervision and management
- Facilities management of clients' and proprietary properties
- Renovation/Upgrades.
- Breaking into new grounds in the real estate development space

At the beginning of the 2022 financial year, the global economy was projected to improve on the strong post-pandemic recovery witnessed in 2021. However, this expectation was undermined by the multidimensional negative spillovers from the ongoing war in Ukraine, aggressive monetary policy tightening by central banks across the nations and persistent effect of COVID 19 pandemic.

The aftermath of the conflict was a damaged global supply chain arising from the US and other European countries' sanctions on Russia as well as the latter's response by cutting-off the exports of its products such as manufactured goods, timber, food grains, and gas supply across Europe.

The economic sanctions further triggered the cost-of-living crisis across the world with inflation on food, energy, and commodities prices higher than ever seen in several decades in the United States, Europe, and Africa.

These actions, in addition to lockdowns in China resulted in supply-demand imbalances across the nations which consequently led to a stunted economic growth across the World.

The increase in interest rates by central banks triggered high inflation across the world and this made investors to be extremely cautious, especially as it relates to Real Estate investment. According to Jones Lang Lasalle (JLL), global direct investment in real estate during the third quarter was US\$234 billion, a drop of 24% from the same period last year.

Conversely, the Nigeria Real Estate sector witnessed growth in 2022 when compared with prior period performance as demand for real estate assets were assessed to be strong with Residential vacancy rates in the urban centre of Lagos, Abuja, and Port Harcourt at an all-time low.

The fundamentals of our business remain very strong. These are:

### **Teamwork**

In Afriland, we acknowledge that nothing great is accomplished in isolation and so we work together as a team to surpass our clients' expectations.

Our harmonized and cooperative efforts are in the interest of a common goal, which is to be Africa's leading Real Estate Company that creates long-term value for all stakeholders.

### **Corporate Social Responsibility**

Afriland's commitment to corporate social responsibility is motivated by the belief that we are a part of the communities we serve, subsequently, giving back is a fundamental aspect of our Company's identity and values.

### **Service Delivery**

The Company is guided by sets of principles, policies, and standards, which enable us consistently to offer excellent service experiences to our clients. We connect with them; we communicate with them, and we listen to them. This way, our deliverables are aligned with our clients' requirements.

### **Sustainable Real Estate Development**

Our commitment to attaining the Sustainable Real Estate Development goal remains unrivaled as our strategies are directed at incorporating environmental-friendly designs techniques, materials and technologies into the building process that would impact positively the environment and the communities in which the developments are situated.

## **FINANCIAL PERFORMANCE**

### **Income statement**

#### **Revenue and Profitability**

Today, your company, despite persistent economic challenges that exemplified the operating environment in the 2022 financial year with its attendant negative impact on businesses, recorded stellar performance.

Your Company recorded a total Revenue (other income inclusive) of ₦2.39Billion representing an increase of 20% from ₦1.99Billion achieved in 2021 financial year. The growth recorded resulted from the improvement in rental yield and the strengthening of our Project Management businesses.

The Profit Before Tax achieved in current year showed a growth of 12% to ₦1.80Billion from ₦1.60Billion recorded in 2021.

The Earnings Per Share for the year of ₦0.86k showed remarkable growth when compared with the loss per share of ₦0.03k recorded in 2021.

### **Financial Position**

The company's total balance sheet size as of 31 December 2022 grew by 12% to ₦19billion from ₦17billion as of 31 December 2021. The growth stemmed from the capitalisation of the cost incurred in the development of the company's proprietary projects that are due for completion in the 2023 financial year.

Shareholders' funds as of 31 December 2022 stood at ₦11billion as against ₦10billion recorded in 2021. This represents a 12.23% growth over the 2021 performance.

### **Key Business Achievements in 2022**

In the year under review, we commenced and completed the construction of some clients' business projects located nationwide while proprietary projects commenced in the 2021 financial year with construction period of twenty-four months are at various stages of completion. These projects listed are due for completion in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2023 financial year.

- Aromire Ikeja, Lagos (Development of Studio, Two- & Three-Bedroom Apartments)
- Club Road, Ikoyi, Lagos (Development of Two, Three -Bedroom & Penthouse Apartments)
- Abule Egba, Lagos (Development of a Business Office, Shopping Mall & Office Spaces)



- Port Harcourt Road, Owerri (Development of Business Office)
- Bwari Abuja (Development of Business Office)
- POWA Nasarawa (Development of Business Office)
- Phase 1, Karmo Estate, Abuja (Development of fully detached maisonnettes & Semi-detached duplex apartments).
- Trans Amadi Industrial Layout, Port Harcourt (Development of shopping mall).

### **Awards And Recognition**

In fulfilling our promise of delivering high quality commercial properties in the Real Estate sector, your company won the award for the Property Development Company of the Year in the Commercial category at the 2022 edition of the Real Estate Discussion and Awards (REDA) held in 2022.

### **Strategic Priorities for 2023**

Despite escalation in cost of development that would persist in 2023 and foreseeable future, the company's strategy is to continue to build upon its five-year strategic plan with the commencement of 2024 financial year development in 2023.

The execution of the strategic plan will deepen our participation in the development of commercial properties, increase our share of project management services as well as improve our service offerings in the Facilities Management Space, ultimately improving our strive to deliver superior returns to our shareholders and enhance the Company's brand in the Real Estate Sector.

As a Company, we are poised to take advantage of the Government's upcoming National Population and Housing Census, specifically as it relates to data on the nation's demography and number of housing units and subsequently ensure the company's policies are structured toward maximizing opportunities made available by the conduct of the exercise.

Finally, we will continue to explore the possibility of partnering with any reputable organizations with a view to optimizing our property portfolio and improving rental yield on performing assets.

### **Conclusion**

My sincere and profound appreciation goes to our esteemed and distinguished shareholders, the Board of Directors, the Management, and staff of Afriland Properties Plc for their unwavering commitment, loyalty, and support.

We reiterate our determination to achieve the company's vision to be Africa's leading Real Estate Company that creates long-term value for all stakeholders.

Thank you.



**Uzoamaka Oshogwe**

Managing Director/Chief Executive Officer

# CORPORATE GOVERNANCE REPORT



## CORPORATE GOVERNANCE REPORT

Afriland Properties Plc (“Afriland” or the “Company”) is committed to upholding the highest standards of Corporate Governance through the adoption of a robust Corporate Governance framework. The framework promotes effective governance through the strategic direction and oversight of the Board thereby enhancing shareholder value and promoting the rights' protection of shareholders and stakeholders.

During the year ended 31 December 2022, Afriland complied with the provisions of the Financial Reporting Council's Nigerian Code of Corporate Governance (“FRC NCCG”), the Corporate Governance Guidelines issued by the Securities & Exchange Commission (“SEC CG Guidelines”), and extant laws and regulations bordering on corporate governance.

The Board is of the opinion that the Company has significantly complied with the requirements of the FRC NCCG, SEC CG Guidelines, and its own governance standards during the 2022 financial year.

The Board of Directors of the Company has the overall responsibility for ensuring that the highest standards of corporate governance are maintained and adhered to by the Company. To promote effective governance of the Company, the following structures have been maintained for the execution of the Company's Corporate Governance strategy:

1. Board of Directors
2. Board Committees
3. Statutory Audit Committee
4. Executive Management Committee

The Company has also implemented corporate governance policies and standards to encourage good and transparent corporate governance practices, as it is the Company's belief that such governance practices have a direct correlation with the Company's performance and its commitment to stakeholders.

The Company's approved corporate governance policies that remained operational throughout the 2022 financial year as follows:

- **Board Governance and Board Committee Governance Charter:**  
This Charter provides the governance framework for the Board and Board Committees of the Company to promote effective governance. It stipulates the mandate and terms of reference, procedures, and structures of the Board and Board Committees of the Company. The Board of Directors carries out its responsibilities through its standing committees. These are the Finance, Risk & General-Purpose Committee and the Nominations, Audit & Governance Committee.
- **Statutory Audit Committee Terms of Reference**  
The Statutory Audit Committee (SAC) Terms of Reference (ToR) specifically highlights the responsibilities of the SAC to include evaluation of the adequacy of the internal control, ensuring the integrity of the Company's financial statements, review of audit exceptions, etc. Furthermore, the ToR includes the administration and procedure to be adopted by the SAC at its meetings.

- **Executive Management Committee Charter:**

The Executive Management Committee Charter provides the framework for directing the affairs of the Executive Management of the Company in the running of the Company's day-to-day operations. The Charter sets out the membership, terms of reference and role of the Executive Management Committee members.

- **Code of Conduct Policy**

The Code of Conduct sets out the expected standards of behavior and ethical responsibilities of directors, employees, vendors and other third parties who have any form of dealings with the Company.

- **Whistle Blowing Policy**

The Policy provides a complimentary procedure for raising concerns about any actual or potential infraction of the Company's business practices and ethics. It further encourages employees and other stakeholders to bring any suspected breach of the Company's business practices to the attention of the Company. These concerns can be treated anonymously.

The Company has a dedicated whistle blowing email address ([whistleblowing@afirilandproperties.com](mailto:whistleblowing@afirilandproperties.com)) and telephone number with capacity for voice calls and text messages. The telephone number is +234 [01-6310652]. A direct link is also available on the Company's website [www.afirilandproperties.com](http://www.afirilandproperties.com) for whistleblowing reports.

- **Board of Directors Appointment Procedure**

The Board Governance Charter sets out and prescribes a formal procedure for the selection and appointment of Non-Executive Directors of the Company. The Nominations, Audit and Governance Committee ("NAGC") is saddled with the responsibility of identifying and assessing potential candidates in line with stipulated criteria in the policy, which includes gender, appropriate mix of skills, qualifications and experience, time and commitment, obligations, conflicts of interest and independence. The nomination by the NAGC is presented to the Board for approval.

Shareholding in the Company is not a considered criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of shareholders at the Annual General Meeting.

- **Company Remuneration Policy**

The Directors are responsible for the governance of remuneration by setting the direction for how remuneration is addressed on a Company-wide basis. The Board ensures that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Board acting through the NAGC reviews the remuneration structure of the Board and the Company periodically to ensure that remuneration and reward strategies enable the Company to attract, motivate and retain the right skills required to efficiently manage the operations and growth of the Company.

The form and amount of Non-Executive Director remuneration is approved by the Board, on the evaluation and recommendation of the NAGC. Remuneration and incentive policies for Chief Executive Officer (CEO) and the Executive Directors (EDs) shall be approved by the NAGC with the concurrence of the Chairman of Finance, Risk and General-Purpose Committee (FRGPC) and the Chairman of the Board.

The remuneration of Directors is reflected and broken down in Note 28 of the Financial Statement.

## 2.1 Introduction

The principal role of the Company's Board of Directors is to provide overall guidance and policy direction to the Management of the Company with key roles focused on strategic direction, policy formulation, decision making and oversight.

The corporate governance principles of the Company rest on the Board of Directors to ensure due compliance and alignment with acceptable corporate governance standards.

## 2.2 Board Structure

The Board of Directors comprises seven (7) members made up of five (5) Non-Executive Directors, one (1) Independent Non-Executive Directors, and one (1) Executive Director. By the provisions of the Companies and Allied Matters Act, 2020 (CAMA 2020) and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over the Board meetings.

## 2.3 Chairman and Chief Executive Officer Positions

The role of the Chairman and Chief Executive Officer are separated and clearly defined in compliance with corporate governance rules on the roles and responsibilities of the Board members. The Chairman is primarily responsible for the workings of the Board while the Chief Executive Officer is responsible for the implementation of the Board strategy and policy and day-to-day management of the Company. The Chief Executive Officer is assisted by the Executive Management Committee in managing the day-to-day operations of the Company. The Chairman is not involved in the day-to-day operations of the Company and is not a member of any Committee of the Board.

## 2.4 Non-Executive Directors

The Non-Executive Board members possess strong knowledge of the Company's business and usually contribute actively at Board meetings.

In choosing Directors and in accordance with the Company's Board Charter, the Company seeks individuals who have very high integrity, a good image and reputation, are business savvy, have shareholder orientation, and a genuine interest in, and commitment to the Company. The Company's Directors also have a wealth of industry expertise across the core areas of Real Estate Management, Finance, Investment, Project Development, and Project Management.

## 2.5 **Induction and Training of Directors**

The Company has a robust induction program for newly appointed directors to familiarize the director with his/her role and responsibilities together with the Company's expectations. The Director is also enlightened on the business, policies, and regulatory obligations of the Company.

Trainings are also organized by the Nominations, Audit & Governance Committee for the Board members on all aspects of corporate governance practices and procedures. These trainings are paid for by the Company.

## 2.6 **Proceedings and frequency of meetings**

The Board meets at least once every quarter or as frequently as the Board's attention may be required. Sufficient notices with clear agenda/report are usually given prior to convening such meetings. All Directors have access to the Company Secretary who is appointed and removed by the Board and is also responsible to the Board. The details of Directors' attendance of Board meetings are disclosed on page 37 of the Annual Report.

## 2.7 **Delegation of Authority**

The Board establishes formal delegations of authority. It defines the limits of Management's power and authority. The Board delegates to Management certain powers for the day-to-day operations of the Company. The delegation of authority conforms to statutory provisions that regulate the capacity of the Board to delegate power to Management. Any of the responsibility not delegated remains with the Board and its committees. The Company has a formal Delegation of Authority Policy in place.

## 2.8 **Risk Management and Internal Control**

The Board is responsible for and ensures proper financial reporting as well as the establishment of strong internal control procedures. The Company has consistently upgraded its internal control system to ensure the effective management of risks. The Directors review the effectiveness of the internal control systems through regular reports, updates, and reviews at the Nominations, Audit & Governance Committee meetings of the Board and the Statutory Audit Committee.

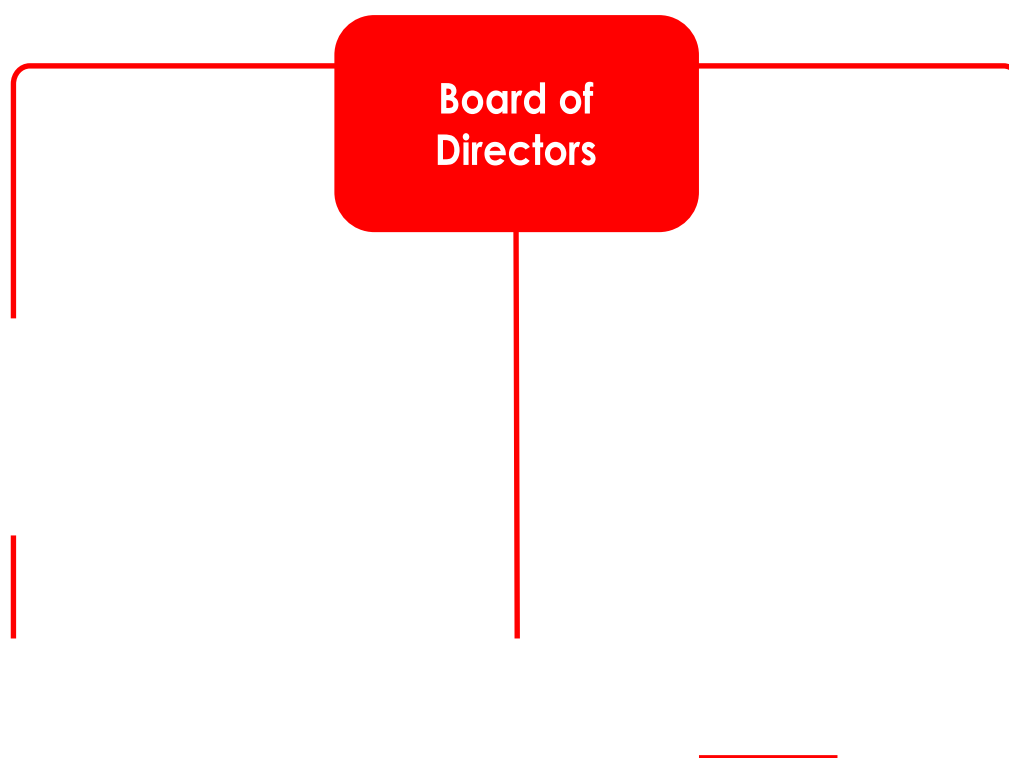
Furthermore, the Board continually emphasizes risk management as an essential tool of achieving the Company's objectives by approving a robust Enterprise Risk Management Policy, Internal Audit Charter, and Internal Audit Policy Manual. The Board adopts a risk governance approach that balances the demands of entrepreneurship, control, and transparency in the Company while also driving the achievement of the Company's objectives with an effective decision-making process.

To ensure compliance with the risk framework, the Board oversees the implementation and monitoring of the extant policies, approves and periodically reviews risks strategies and policies, as well as monitors the Company's risk profile against its risk appetite. This is achieved through regular review of reports, updates by both the internal and external Audit personnel at the Finance, Risk & General-Purpose Committee, and through the conduct of an annual assessment of the Company's risk. The Board continuously seeks means of improving the

Company's risk appetite through recommendations on effective means of eliminating and mitigating identified risks on all levels and monitoring the implementation of such recommendations to ensure compliance.

The Internal Audit function is headed by the Head, Internal Audit & Compliance who presents his reports quarterly to the Nominations, Audit & Governance Committee. The Company adopts the Risk-Based Internal Audit methodology in carrying out audit functions. This involves five phases which are Strategic Analysis, Risk Assessment, Development of Internal Audit Plan, Audit Execution and Reporting, and Follow-up. This has proved effective in identifying, monitoring, and mitigating the strategic and operational risks of the Company.

## RISK GOVERNANCE STRUCTURE



The Company's Auditor is Ernst & Young who reviews the financial statements to ensure that same does not contain any material misstatements,

The auditors have worked with the Company for a cumulative period of Ten (10) years.

During the year ended 31 December 2022, there were changes that occurred in the composition of the Board of Directors of the Company. The Board of Directors of the Company comprised the following in the year 2022:

1	Mr. Emmanuel N. Nnorom	Chairman/ Non Executive Director	30 October 2014	8 years
2	Mrs. Uzoamaka Oshogwe	Managing Director /Chief Executive Officer	29 January 2013	9 years & 11 Months
3	Mrs. Agatha Obiekwugo	Non-Executive Director	23 October 2018	4 years
4	Mr. Ayodeji Adigun	Non-Executive Director	15 February 2021	2 years
5	Mr. Obong Idiong	Non-Executive Director	29 July 2021	1 year & 5 Months
6	Mr. Olubunmi Akinremi	Independent Non-Executive Director	28 October 2021	1 year & 2 Months
7	Mrs. Owen Omogiafo	Non-Executive Director	21 November 2022	1 Month



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COMPLEX ABULE-EGBA**

**MAKE A DOWN PAYMENT  
AND OWN A UNIT**

**SHOP - N4MILLION  
OFFICE - N6.5MILLION**

**BUY NOW**

## FEATURES

- Size - Office /30Sqm Shop/15Sqm
- Inbuilt Restrooms (For Offices)
- Adequate Parking Space
- Modern design with deluxe finishing
- Facility Management Services
- CCTV Camera, Perimeter Fence, and 24-hour Security
- Water Sewage System
- Modern fighting systems

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In compliance with the provisions of Section 285 of the CAMA 2020 which requires one-third of the Directors (excluding Executive Director) or if their number is not three or a multiple of three, the number nearest one third, to retire from office at each Annual General Meeting, Mr Emmanuel Nnorom and Mr. Obong Idiong will retire at the 10<sup>th</sup> Annual General Meeting.

### **Profile of Directors Being Re-elected**

#### **Profile of Mr. Emmanuel Nnorom**

Mr. Emmanuel Nnorom is the Chairman of the Board of Directors of Afriland Properties Plc. He is presently the Group Chief Executive Officer of Heirs Holdings Limited. Prior to joining the Heirs Holdings, he served as the President/CEO of Transnational Corporation of Nigeria Plc, overseeing the Transcorp businesses, including Transcorp Power, Transcorp Hilton Abuja, Transcorp Hotels Calabar and Transcorp Energy. Prior to Transcorp, Emmanuel held senior positions as the Executive Director at United Bank for Africa (UBA) and Managing Director of UBA Africa, overseeing the Group's African subsidiaries and executing corporate strategy in 18 African Countries. Other senior roles held within UBA includes Group Chief Operating Officer, followed by his appointment as Group Chief Financial Officer, with responsibility for Finance and Risk.

He is a Chartered Accountant and brings over three decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College and a prize winner and Fellow of the Institute of Chartered Accountants of Nigeria. He also serves as the Chairman, Transcorp Power Limited and Transcorp Hotels Plc.

He was appointed to the Board of Afriland on October 30, 2014 and has served for a cumulative period of eight (8) years.

A record of his Attendance at Board and Committee Meetings is available on page 37 of this report.

Mr. Nnorom is resident in Nigeria.

### **Profile of Mr. Obong Idiong**

Mr. Obong Idiong is the Chief Executive Officer (CEO) of Africa Prudential Plc. Before he was appointed the CEO of Africa Prudential, he was the Legal Adviser/Company Secretary of Heirs Holdings and a Legal Adviser at United Bank for Africa (UBA) Plc.

Mr. Idiong has over 19 years of impactful experience in corporate, commercial legal practice, banking, and financial advisory services and invaluable experience in Information Technology.

Mr. Idiong holds several qualifications in the legal, finance, and technology fields. He is an alumnus of the Nigerian Law School, the University of Liverpool, Lagos Business School and IESE Business School, the Massachusetts Institute of Technology, among others. He is also a member of the Nigeria FinTech Fund Advisory Board.

He was appointed to the Board of Afriland on July 29, 2021 and has served for a cumulative period of a year and five months.

A record of his Attendance at Board and Committee Meetings is available on page 37 of this report

Mr. Idiong is resident in Nigeria.

The Nominations, Audit & Governance Committee having assessed the qualifications of Mrs. Owen Omogiafo based on the established criteria in the Company's Charter and to comply with the minimum number of directors on the Board, recommended to the Board for approval, the appointment of Mrs. Owen Omogiafo.

The Board on the 8<sup>th</sup> of December 2022 approved the appointment of Mrs. Owen Omogiafo as a Non-Executive Director of the Company.

The appointment of Mrs. Owen Omogiafo is subject to the approval of the Shareholders at the 10<sup>th</sup> AGM.

### **Profile of Mrs. Owen Omogiafo**

Mrs. Owen Omogiafo is the President and Group CEO of Transnational Corporation Plc. Prior to her appointment, she served as the MD/CEO of Transcorp Hotels Plc where she was responsible for driving positive transformation both in Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Owen has over two decades of corporate experience in organizational development, human capital management, banking, change management, hospitality, and energy. She was the Chief Operating Officer at the Tony Elumelu Foundation, before joining the Transcorp group, where she oversaw the \$100m Program aimed at identifying, mentoring, and funding 10,000 entrepreneurs over 10 years. She also worked as the Director of Resources at Heirs Holdings Limited. She worked at the United Bank for Africa Plc as HR Advisor to the GMD/CEO, and at Accenture as an Organization and Human Performance Consultant, specializing in Change Management. She has also served as a member of the Board of Trustees of the Association of Power Generation Companies (APGC) in Nigeria.

Owen holds a B.Sc. in Sociology & Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics and Political Science, and is an alumnus of the Lagos Business School and IESE Business School, Spain. She is a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, and is a member of the Institute of Directors (IoD) Nigeria.

In recognition of her many contributions to the economic and social development of Nigeria, Owen has won numerous awards. In 2019 she was recognized as one of the Top 100 Female CEOs in Africa by Reset Global People and one of Nigeria's Leading Ladies in Corporate Nigeria by Leading Ladies Africa; Owen was recognized by The Guardian Newspapers as one of Nigeria's 100 most inspirational women. She was listed among the 100 Most Influential African Women in 2020 by the Avance Media Group. She was also recognized as one of the 2020 Top CEOs and received the Next Bulls Award in Nigeria by Business Day Media and the Nigerian Stock Exchange respectively. In 2021, Owen was recognized by Signature100 and listed among the corporate leaders leading the African Decade. Other notable awards include the 2021 Trailblazer Award from SAWIL, Global Leadership's 100 Globally Inspiring Nigerian Women Award, VIP Woman of Impact Award, and the Youngest CEO of a top Company listed on the Nigerian Stock Exchange.

Mrs. Omogiafo is resident in Nigeria.

On an annual basis the company undertakes a review of its Board and Corporate Governance. During the period under review, the Company engaged the services of an independent consultant, AA & Company Limited to carry out an extensive Board and Directors' appraisal exercise and evaluation of the Company's compliance with its corporate governance principles.

The annual appraisal sought to ascertain the level of compliance by the Board, and by extension, the Company, with the Financial Reporting Council of Nigeria Nigerian Code of Corporate Governance (FRC NCCG) and Security and Exchange Commission (SEC) Code, the Company's Board Governance and Board Committees Governance Charter and other best corporate governance practices, the report of which forms part of this Annual Report.

The 2018 FRC NCCG introduced an annual assessment of the corporate governance practices adopted by the Company. The Board and Corporate Governance Assessment report forms part of this Annual Report.

AA & Company Limited has worked with the Company and conducted board evaluation of the Board for a cumulative period of five (5) years.

The Board of Directors of the Company comprised the following during the year:

Mr. Emmanuel Nnorom	-	Chairman
Mrs. Uzoamaka Oshogwe	-	Managing Director/Chief Executive Officer
Mrs. Agatha Obiekwugo	-	Non-Executive Director
Mr. Ayodeji Adigun	-	Non-Executive Director
Mr. Obong Idiong	-	Non-Executive Director
Mr. Olubunmi Akinremi	-	Independent Non-Executive Director
Mrs. Owen Omogiafo	-	Non-Executive Director

The Board held five (5) meetings during the year ended 31 December 2022 and the table below shows the meetings of the Board in 2022 and frequency of members' attendance:

Directors	Date of Meetings Held	No of meetings attended	Date of meetings not attended
Mr. Emmanuel Nnorom	28 <sup>th</sup> February 2022 28 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 27 <sup>th</sup> October 2022 8 <sup>th</sup> December 2022	5	N/A
Mrs. Uzoamaka Oshogwe	28 <sup>th</sup> February 2022 28 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 27 <sup>th</sup> October 2022 8 <sup>th</sup> December 2022	5	N/A
Mrs. Agatha Obiekwugo	28 <sup>th</sup> February 2022 28 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 27 <sup>th</sup> October 2022 8 <sup>th</sup> December 2022	5	N/A
Mr. Ayodeji Adigun	28 <sup>th</sup> February 2022 28 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 27 <sup>th</sup> October 2022 8 <sup>th</sup> December 2022	5	N/A
Mr. Obong Idiong	28 <sup>th</sup> February 2022 28 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 27 <sup>th</sup> October 2022 8 <sup>th</sup> December 2022	5	N/A
Mr. Olubunmi Akinremi	28 <sup>th</sup> February 2022 28 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 27 <sup>th</sup> October 2022 8 <sup>th</sup> December 2022	5	N/A
Mrs. Owen Omogiafo	28 <sup>th</sup> February 2022 28 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 27 <sup>th</sup> October 2022 8 <sup>th</sup> December 2022	1	Mrs. Owen Omogiafo's appointment to the Board became effective 21 <sup>st</sup> November, 2022

N/A  
means "Not Applicable"

The Board Committees of the Company comprises a majority of Non-Executive Directors tasked with the performance of various functions as delegated by the Board in the discharge of their responsibilities to the shareholders.

The Board Committees are as follows:

The Nominations Audit & Governance Committee (NAGC) is tasked with the following terms of reference:

- Evaluate the adequacy of internal audits and internal controls to ensure the integrity of the Company's financial statements and adopt special audit steps in the event of significant control deficiencies, if any, including those reported by the Internal Audit.
- Assist the Board of Directors in fulfilling its oversight responsibilities with respect to audit and control.
- Review Audit exception reports relating to the Company's compliance with major policies including Expense and HR policies, company processes, and applicable laws and regulations.
- Establish procedures for the nomination of Directors.
- Advise and recommend to the Board the composition of the Board.
- Approve recruitments, promotions, redeployments, and disengagements for the Company's heads of departments that make up the Executive Management Committee.
- Review and evaluate the skills of members of the Board.
- Recommend to the Board, compensation for all staff members of the Company and subsidiary Boards.
- Advise the Board on corporate governance standards and policies.
- Review and approve all human resources, risk, internal control, governance, and other policies for the Company.
- Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.
- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- Monitor compliance with all legal and regulatory requirements.

Membership of the Committee during the year comprised non-executive directors as follows:

Mr. Olubunmi Akinremi	- Chairman/ Independent Non-Executive Director
Mr. Ayodeji Adigun	- Member
Mrs. Agatha Obiekwugo	- Member
Mr. Obong Idiong	- Member
Mrs. Owen Omogiafo	- Member

The table below shows the frequency of meetings of the NAGC in 2022 and members' attendance:

Directors	Date of Meetings Held	Number of meetings attended	Date of meetings not attended
Mr. Olubunmi Akinremi	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	4	N/A
Mr. Ayodeji Adigun	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	4	N/A
Mrs. Agatha Obiekwugo	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	4	N/A
Mr Obong Idiong	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	4	N/A
Mrs Owen Omogiafo	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	1	Mrs. Owen Omogiafo's appointment to the Board became effective 21 <sup>st</sup> November, 2022

N/A means "Not Applicable"



The Finance, Risk & General-Purpose Committee (FRGPC) is tasked with the following terms of reference:

- Review and approve the company's risk management policy including risk appetite and risk strategy.
- Review the adequacy and effectiveness of risk management and controls.
- Oversight of the Management's process for the identification of significant risks across the Company and the adequacy of prevention, detection, and reporting mechanisms.
- Review of the Company's compliance level with applicable laws and regulatory requirements that may impact the Company's risk profile.
- Periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile.
- Review and recommend for approval of the Board risk management procedures and controls for new products and services.
- Discharge the Board's responsibilities for Information Technology (IT) governance and IT security and ensure it aligns with the Company's objectives, enables the business strategy, delivers value, and improves performance.
- Ensure that risk assessments are performed continuously.
- Monitor and assess the integrity of the overall risk management framework of the Company.
- Discharge the Board's responsibilities concerning strategic direction and budgeting.
- Provide oversight on financial matters and the performance of the Company.
- Review and recommend investment opportunities or initiatives to the Board for decision.
- Recommend financial and investment decisions within its approved limits.
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Company.
- Formulate and shape the strategy of the Company.
- Review the Company's investment portfolio.
- Recommend Company policies relating to risk, finance, and investment.

During the period under review in 2022, membership of the Committee comprised five (5) non-executive directors and one (1) executive director as follows:

Mr. Ayodeji Adigun	-	Chairman / Non-Executive Director
Mrs Uzoamaka Oshogwe	-	Member / Executive Director
Mrs Agatha Obiekwugo	-	Member / Non-Executive Director
Mr. Obong Idiong	-	Member / Non-Executive Director
Mr. Olubunmi Akinremi	-	Member / Independent Non-Executive Director
Mrs. Owen Omogiafo	-	Member / Non-Executive Director

The table below shows the frequency of meetings of the FRGPC in 2022 and members' attendance:

Directors	Date of Meetings Held	Number of meetings attended	Date of meetings not attended
Mr. Ayodeji Adigun	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	5	N/A
Mrs. Uzoamaka Oshogwe	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	5	N/A
Mrs. Agatha Obiekwugo	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	5	N/A
Mr Obong Idiong	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	5	N/A
Mr. Olubunmi Akinremi	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	5	N/A
Mrs Owen Omogiafo	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 12 <sup>th</sup> October 2022 22 <sup>nd</sup> November 2022	1	Mrs. Owen Omogiafo appointment on the Board became effective 21 <sup>st</sup> November, 2022

N/A means "Not Applicable"

The Statutory Audit Committee (SAC) was set up in accordance with the provisions of the CAMA 2020. It comprises of Non-Executive Directors and ordinary shareholders elected at the 9th Annual General Meeting of the Company which was a hybrid (Proxy and Physical) meeting held on 22<sup>nd</sup> September 2022. Its terms of reference include the monitoring of processes designed to ensure compliance by the Company in all respects with legal and regulatory requirements, including disclosure, controls, and procedures. It evaluates annually, the independence and performance of the External Auditors. The Committee also reviews with Management and the External Auditors, the annual audited financial statement before submission to the Board.

Membership of the Committee in 2022 comprised the following:

Mr. Joshua Okorie	-	Chairman
Alhaji Wahab A. Ajani	-	Member
Ms. Moyosore Ayanwamide	-	Member
Mr. Ayodeji Adigun	-	Member / Non-Executive Director
Mr. Olubunmi Akinremi	-	Member/Independent Non-Executive Director

The table below shows the frequency of meetings of the SAC in 2022 and members' attendance:

Directors	Date of Meetings Held	Number of meetings attended	Date of meetings not attended
Mr. Joshua Okorie	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 13 <sup>th</sup> October 2022 23 <sup>rd</sup> November 2022	5	N/A
Alhaji Wahab A. Ajani	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 13 <sup>th</sup> October 2022 23 <sup>rd</sup> November 2022	5	N/A
Miss Moyosore Ayanwamide	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 13 <sup>th</sup> October 2022 23 <sup>rd</sup> November 2022	5	N/A
Mr. Ayodeji Adigun	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 13 <sup>th</sup> October 2022 23 <sup>rd</sup> November 2022	5	N/A
Mr. Olubunmi Akinremi	28 <sup>th</sup> February 2022 14 <sup>th</sup> July 2022 26 <sup>th</sup> August 2022 13 <sup>th</sup> October 2022 23 <sup>rd</sup> November 2022	4	Mr Akinremi was unavoidably absent for the meeting held 13 <sup>th</sup> October 2022.

N/A means "Not Applicable"

The Executive Management Committee (EMC) comprises senior management of the Company. The EMC is tasked with the following terms of reference:

- To articulate the strategy of the Company and recommend same to the Board.
- To discuss strategic matters and their impact on the Company's property and investment portfolio.
- To outline the manner and techniques in which the Company's objectives shall be accomplished.
- Execute the Company's strategy.
- Identify, analyze and make recommendations on risks arising from the day-to-day operations of the Company and its investments.
- Prepare annual financial plans to be approved by the Board and ensure that all the Company's objectives are achieved.

The Board of the Company has always placed considerable importance on effective communication with shareholders. It ensures that the rights of shareholders are protected at all times. Notice of meetings and all statutory notices and information are communicated to the shareholders regularly.

The Company's Annual General Meetings provide shareholders with the platform to contribute to the administration of the Company. The Annual General Meetings (AGMs) are held in accessible locations and are open to shareholders or their proxies. The AGMs are conducted in a manner that facilitates shareholders' participation in accordance with relevant regulatory and statutory requirements. The Company encourages shareholders to attend these meetings whilst ensuring that notices of meetings and other information required by shareholders to make informed decisions are dispatched in a timely manner. The office of the Company Secretary additionally affords shareholders channels of communication to the Board and the Management of the Company.

The Company seeks to achieve adequate representation of female at the Board and top management levels based on the identification of candidate with the requisite criteria set out in its policies. As a result, the Company currently has 43% female and 57% male representation on the Board while the Executive Management Team has 42% female and 58% male representation respectively.

The company does not have an employee share ownership scheme.

Afriland's organizational structure requires unit heads to be accountable to the Managing Director / Chief Executive Officer who is responsible for the day-to-day operations of the company. Staff members are in turn accountable to respective unit heads. This sets out a structure where all officers are duly accountable for their duties and responsibilities which are clearly define through key performance indices and create adequate level of checks and balances.



# REPORT OF THE DIRECTORS



## REPORT OF THE DIRECTORS

*For the year ended 31 December 2022*

The Directors have the pleasure in presenting, to the members of Afriland Properties Plc (“the Company”) their report together with the audited financial statements and auditor’s report for the year ended 31 December 2022.

### LEGAL FORM

Afriland Properties Plc was incorporated as a private limited liability company on 14 March 2007 and is headquartered in Lagos, Nigeria with other satellite office locations in Abuja, Port-Harcourt and Benin. The Company became a public limited company on 29 August 2011.

### PRINCIPAL ACTIVITY

The principal activity of the Company is real estate investment and development as well as offering of a broad range of real estate products/services to the general public.

### STATE OF AFFAIRS

In the opinion of the Directors, the state of the Company’s affairs continues to be satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

### CHANGE IN REPORTING FRAMEWORK

There was no change in the Company’s accounting policies during the year.

<b>RESULTS FOR THE YEAR</b>	<b>2022</b> <b>₦'000</b>	<b>2021</b> <b>₦'000</b>
Revenue	1,891,421 =====	1,638,658 =====
Profit before taxation	1,797,751	1,603,925
Taxation	(611,590) -----	(1,648,658) -----
Profit/ (loss) for the year	1,186,161 =====	(44,733) =====

### DIVIDEND

The Directors have recommended payment of a dividend of 10k per share on the outstanding ordinary shares of 1,373,900,000 in respect of the year ended 31 December 2022 (2021: 10k per share of the outstanding ordinary shares of 1,373,900,000). The dividend shall become payable upon approval by the shareholders at the Annual General Meeting and subject to deduction of 10% withholding tax.

### PROPERTY, PLANT AND EQUIPMENT

Information relating to changes in property, plant and equipment (PPE) during the year is shown in Note 12 of the audited financial statements. In the opinion of the Directors the market value of the Company’s PPE is not less than the value shown in the audited financial statements.

### ACQUISITION OF OWN SHARES

The Company has not purchased any of its own shares during the year under review (2021: Nil).

## DIRECTORS

The names of the Directors at the date of this report and of those who held office during the year are as follows:

<b>Director</b>	<b>Position</b>	
Emmanuel Nnorom	Chairman	
Uzoamaka Oshogwe	Managing Director/Chief Executive Officer	
Olayinka Ogunsulire	Independent Non-Executive	Retired January 2022
Agatha Obiekwugo	Non-Executive Director	
Ayodeji Adigun	Non-Executive Director	
Obong Idiong	Non-Executive Director	
Olubunmi Akinremi	Independent Non-Executive Director	
Owen Omogiafo	Non-Executive Director	Appointed November 2022

## DIRECTORS' INTERESTS IN SHARES

The direct and indirect interests of the Directors in the issued share capital of the Company as recorded in the register of Directors' shareholdings and/or as notified by the Directors for the purpose of Sections 301 and 302 of the Companies and Allied Matters Act, 2020 are as follows;

	31 December 2022		31 December 2021	
	Direct Holding	Indirect Holding	Direct Holding	Indirect Holding
Emmanuel Nnorom	447,139	66,158	317,647	66,158
Uzoamaka Oshogwe	836,128	-	836,128	-
Olayinka Ogunsulire	N/A	N/A	248	-
Agatha Obiekwugo	1,367	-	1,367	-
Ayodeji Adigun	-	-	-	-
Obong Idiong	49,646	-	955	-
Olubunmi Akinremi	23,905	-	23,905	-
Owen Omogiafo	17,894	-	N/A	N/A
	1,376,079	66,158	1,180,250	66,158
	1,376,079	66,158	1,180,250	66,158

## DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act, 2020, of any disclosable interest in contracts in which the Company is involved as at 31 December 2022 (2021: Nil).

## ANALYSIS OF SHAREHOLDING

According to the Register of Members, no shareholder held more than 5% of the ordinary shares issued by the Company as at 31 December 2022 (2021: Nil).

RANGE ANALYSIS AS AT 31-12-2022							
		No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1 -	10,000	276,328	98.44%	276,328	140,871,496	10.25%	140,871,496
10,001 -	50,000	3,504	1.25%	279,832	73,028,272	5.32%	213,899,768
50,001 -	100,000	443	0.16%	280,275	31,096,025	2.26%	244,995,793
100,001 -	500,000	330	0.12%	280,605	64,501,668	4.69%	309,497,461
500,001 -	5,000,000	78	0.03%	280,683	98,659,587	7.18%	408,157,048
5,000,001 -	50,000,000	26	0.01%	280,709	363,972,547	26.49%	772,129,595
50,000,001 -		10	0.00%	280,719	601,770,405	43.80%	1,373,900,000
		<b>280,719</b>	<b>100%</b>		<b>1,373,900,000</b>	<b>100%</b>	

RANGE ANALYSIS AS AT 31-12-2021							
Range		No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1 -	10,000	276,346	98.43%	276,346	140,943,503	10.26%	140,943,503
10,001 -	50,000	3,506	1.25%	279,852	73,027,100	5.32%	213,970,603
50,001 -	100,000	447	0.16%	280,299	31,379,735	2.28%	245,350,338
100,001 -	500,000	330	0.12%	280,629	63,808,969	4.64%	309,159,307
500,001 -	5,000,000	80	0.03%	280,709	101,638,235	7.40%	410,797,542
5,000,001 -	50,000,000	26	0.01%	280,735	361,332,053	26.30%	772,129,595
50,000,001 -	2,000,000,000	10	0.00%	280,745	601,770,405	43.80%	1,373,900,000
<b>Grand Total</b>		<b>280,745</b>	<b>100%</b>		<b>1,373,900,000</b>	<b>100%</b>	

## EMPLOYMENT AND EMPLOYEES

### Employment of disabled persons

No disabled person was employed by the Company during the year ended 31 December 2022. However, it is the Company's policy to consider disabled persons for employment, bearing in mind the respective aptitudes and abilities of the applicants concerned.

### Health, Safety and Welfare of Employees at Work

The Company places high premium on the health, safety and welfare of its employees in their places of work. To this end, the Company has various forms of insurance policies including group life assurance to adequately secure and protect its employees. The company also has in place a healthcare insurance scheme for employees' and their immediate family members' medical needs.

### Employees' Interest and Training

The Company places considerable value on the development of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and other forms of communication. The company organizes in-house and external training for its employees based on the requirements of their job. Overseas courses are also arranged where and when necessary.

## CORPORATE SOCIAL RESPONSIBILITY

The Company made payment of N86,052,830 as corporate social responsibility during the year ended 31 December 2022 (2021: N26,844,090).

## EVENTS AFTER REPORTING DATE

As stated in Note 36, there are no other events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.



## FORMAT OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the reporting and presentation requirements of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the provisions of Companies and Allied Matters Act, 2020. The directors consider that the format adopted is that most suitable for the Company.

## AUDITOR

In accordance with section 409 of the Companies and Allied Matters Act, 2020, Ernst and Young has been the Company's Auditor for ten (10) years and is resigning as auditor in line with Code of Corporate Governance. The Shareholders shall pass a resolution appointing a new auditor in accordance with Section 401 of the Companies and Allied Matters Act 2020 in place of Ernst & Young after the financial year ended 31 December 2022.

A resolution will be proposed at the AGM authorising the Directors to fix their remuneration.

BY ORDER OF THE BOARD



**Omomene Obanor**  
COMPANY SECRETARY  
FRC/2022/PRO/NBA/002/057966  
Lagos, Nigeria

22nd February 2023



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PROPERTIES**



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### **KEY FEATURES**

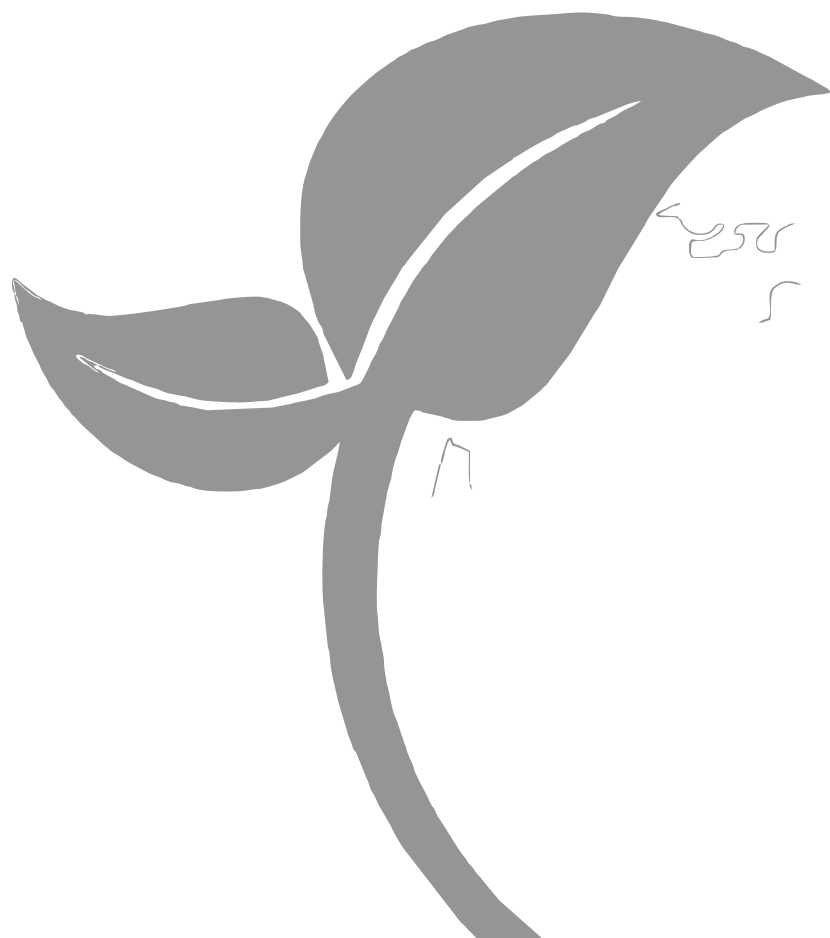
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Afriland Properties Plc understands the importance of integrating environmental and social standards with its business strategies and operations. With this in view, the Company adopts sustainability policies that ensure its continued growth for the ultimate benefit of all stakeholders.

To build a successful company underpinned by excellence, execution, and entrepreneurship and to create sustainable value for its stakeholders in its chosen markets, the Company recognizes the need for efficient use of its human, social, and capital resources overarched with a practical approach to corporate governance.

In line with our commitment to sustainable development, we are committed to ensuring the health, safety, and welfare of our employees; continuous learning and improvement, and adherence to all national laws and regulations in the industry and locations where we operate.

Just as Afriland recognizes legitimate land tenure and the rights of local communities and individuals, we commit to encouraging and respecting the rights of indigenous folks, vulnerable groups, and local communities while ensuring that their concerns are properly addressed where we operate.

The Company adopts policies that seek to protect and enhance the environment by minimizing wastage, being energy efficient, and avoiding, causing, or contributing to adverse social and environmental impacts in its construction projects.

Our efforts towards sustainability are etched towards constructing and maintaining energy-efficient and high-performing buildings, geared towards reduction in maintenance cost, reduction in utility bills, and optimal use of space.

Furthermore, the Company seeks to improve occupants' experiences within our construction projects by improving their lifestyle with the provision of recreational activities like gym, relaxation spots, library, hang-out zone, etc. which creates a more fulfilling experience for the employees and occupants. This overall improves indoor environmental quality.

Afriland's sustainability strategies are being driven through our efficient buildings and improved operations and excellence in property management and our facilities management operations.

Afriland is committed to high ethical standards with the Board of Directors setting the tone at the top. The Company's Code of Conduct Policy accurately serves as a guide to all directors, employees, and third-party vendors. Furthermore, to ensure continued commitment to ethical practices, the Company has in place its Whistle Blowing Policy and channels through which complaints can be made. One of those channels is available on the Company's website.

The Company shuns and does not endorse bribery and corrupt practices which are express provisions embedded in our Code of Conduct policy.

All decisions about recruitment and selection, career advancement, compensation, benefits, and training are based solely on the individual's qualifications, performance assessment, merit, and business need in accordance with the provisions of the Human Resource policies contained in this manual.

Discrimination of any individual employee or group of employees based on gender, nationality, or religion by another employee, if proven, will be regarded as a sanctionable offense.

The Company promotes a cordial work environment among colleagues through policies that guide employee behavior to ensure there is no harassment and enhance teamwork.

To enhance capacity development, and promote productivity and efficiency among the workforce, staff members, attended virtual training on project management, leadership, and effective communication.

The Company maintains business premises and work environments that guarantee the safety and health of its employees and other stakeholders. The Company's rules and practices in this regard are reviewed and tested regularly.

Safety regulations are in place within the Company's premises and employees are regularly informed of the regulations. The Company ensures that visitors undergo security checks before gaining access to its offices.

A wellness check was also organized for the entire workforce to check the soundness of their health conditions during the year. For employees to express their grievances or make suggestions on ways to improve the Company's systems and processes, the Company held town hall meetings with the Managing Director and executive management team.

We maintain a robust induction program for new employees. The induction program provides a smooth and seamless transition for new employees. All aspects of our business operations, procedures, processes, and policies are taught to new employees.

For existing employees, we maintain a reward system by giving out long service awards to employees who have remained and are committed to the organization for more than 5 years and also recognize high performers.

We also have male and female representation in the workforce. Remunerations are offered on an equal basis to men and women who are at the same level in the organization irrespective of gender.

Recruitment is carried out without prejudice and with respect for the human rights of all parties involved.

Employees are granted access to engage in continuous training and career advancement programs without any form of discrimination.

# BOARD EVALUATION REPORT



Angela Aneke & Co. Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria, [boardevaluations@angelaanekeco.com](mailto:boardevaluations@angelaanekeco.com)

March 1, 2023

## Statement by the External Consultants on the **Board Evaluation** of Afriland Properties Plc. for the year ended December 31, 2022

The Board of Directors of Afriland Properties Plc. (the “Company”) engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2022, in line with the requirements of Principle 14 of the Financial Reporting Council’s Nigerian Code of Corporate Governance (NCCG). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked on the principles in the NCCG, Securities and Exchange Commission’s Corporate Governance Guidelines (SCGG), the Company’s Corporate Governance Framework, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

The Chairman provides effective leadership to the Board to ensure the company’s strategic objectives are met and plays a lead role in the assessment, improvement and development of the Board. He also provides guidance to the CEO in the effective discharge of her duties.

Afriland Properties Plc has an established Board Governance Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Furthermore, Directors achieved 100% attendance at all the Board and Board Committee meetings held in 2022.

The Board and its Committees are composed of seasoned professionals with a wealth of experience committed to the long-term success of the Company. It is a forward thinking and cohesive Board, with an appropriate balance of skills and diversity including experience, age, and gender. The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively. The Board was refreshed in 2022 and one new Director was appointed in the course of the year.

On the basis of our work, we conclude that the Board of Afriland Properties Plc. is effective and continues to demonstrate a commitment to maintaining strong corporate governance systems in line with global best practice. Its corporate governance framework is established and the Company has adequately applied the 28 principles of the NCCG.

Yours faithfully,  
FOR: **Angela Aneke & Co. Limited**

  
Angela Aneke  
Managing Director

# CORPORATE GOVERNANCE EVALUATION REPORT



Angela Aneke & Co. Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria, [boardevaluations@angelaanekeco.com](mailto:boardevaluations@angelaanekeco.com)

March 1, 2023

## Statement by the External Consultants on the **Corporate Governance Evaluation** of Afriland Properties Plc. for the year ended December 31, 2022.

The Board of Directors of Afriland Properties Plc. (the “Company”), engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2022, in line with the requirements of Principle 15 of the Financial Reporting Council’s Nigerian Code of Corporate Governance (NCCG). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked on each of the 28 principles of the NCCG, Securities and Exchange Commission’s Corporate Governance Guidelines (SCGG), the Company’s Corporate Governance framework, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

Afriland Properties Plc. has an established system of corporate governance underpinned by a Board Governance Charter as well as various policies and charters that guide the governance culture of the Company. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Policies that address risk management, internal control, code of conduct, business ethics, shareholder engagement and disclosures are established at Afriland Properties Plc.

The framework for managing risk and internal control system are effective at Afriland Properties Plc. The risks the company faces and risk mitigating strategies are effectively monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its Committees on its effectiveness at its quarterly meetings. A whistle blowing framework for reporting illegal and unethical behavior is in place. The Company remained committed to sustainability and acted as a responsible citizen by embarking on several corporate social responsibility activities in 2022.

On the basis of our work, we conclude that corporate governance practices at Afriland Properties Plc. are effective and are in line with global best practice. The corporate governance framework of the Company has adequately applied the 28 principles of the NCCG.

Yours faithfully,  
FOR: **Angela Aneke & Co. Limited**

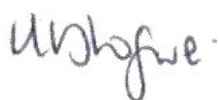


**Angela Aneke**  
Managing Director



We hereby certify that:

- a) We the undersigned have reviewed the audited financial statements of Afriland Properties Plc ("the Company") for the year ended 31 December 2022. Based on our knowledge as officers of the Company, the annual report, audited financial statements and other national disclosures do not contain:
- i. Any untrue statement of a material fact, or
  - ii. Omit to state a material fact, which would make the statement misleading in the light of the circumstances under which the statement was made.
- b) Based on our knowledge, the financial statements and other financial information included in the annual report fairly represent in all material respect, the financial conditions and results of operations of the Company as of, and for the period presented in the report.
- c) We, the undersigned:
- i. Are responsible for establishing and maintaining controls;
  - ii. Have designed such internal controls to ensure that material information relating to the Company is made known to us by others within those entities particularly during the period in which the periodic reports are being prepared;
  - iii. Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report.;
  - iv. Have presented in the report our conclusions about the effectiveness of their internal controls based on their evaluation as of that date;
- d) We have disclosed to the external auditors of the Company and the audit committee:
- i. All significant deficiencies in the design or operation of the internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's Auditors any material weakness in internal controls, and
  - ii. Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls.
- e) We have identified in the report whether or not there were significant changes in internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weakness.



-----  
**Managing Director/ Chief Executive Officer**  
**Uzoamaka Oshogwe**  
**FRC/2013/IODN/00000004689**



-----  
**Chief Financial Officer**  
**Obiorah Ozugha**  
**FRC/2013/ICAN/00000004513**



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# STATUTORY AUDIT COMMITTEE REPORT

For the year ended 31 December 2022

## TO THE MEMBERS OF AFRILAND PROPERTIES PLC

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act, 2020, we the members of the Statutory Audit Committee hereby report as follows:

- The Statutory Audit Committee met in exercise of its statutory responsibilities in accordance with section 404(7) of CAMA;
- We have examined the auditor's report including the financial statements for the year ended 31st December 2022.
- We have deliberated with the external auditors, reviewed their findings and recommendations and confirm that the auditors' report for this period is consistent with our review; and
- We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.
- Pursuant to the provisions of Section 404(7)(e) of CAMA, we recommended to the Board of Directors the appointment of Deloitte Nigeria as the Company External Auditor effective from the 2023 Financial Year.

### Members of the Statutory Audit Committee

1	Mr. Joshua Okorie	-	Chairman
2	Alhaji Wahab A. Ajani	-	Member
3	Miss Moyosore Ayanwamide	-	Member
4	Mr. Ayodeji Adigun	-	Member/Non-Executive Director
5	Mr. Olubunmi Akinremi	-	Member/Independent Non-Executive Director



**Joshua Okorie**

CHAIRMAN, STATUTORY AUDIT COMMITTEE  
FRC/2020/003/00000020811

22nd February 2023

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

### For the year ended 31 December 2022

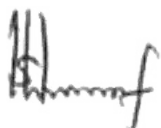
The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigerian Act No. 6, 2011;
- b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

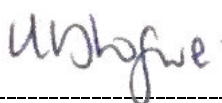
The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, 2020, and in compliance with Financial Reporting Council of Nigeria Act no. 6, 2011.

The Directors are of the opinion that the audited financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December 2022. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the audited financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



-----  
Emmanuel Nnorom  
Chairman  
FRC/2014/ICAN/00000007402



-----  
Uzoamaka Oshogwe  
Managing Director/ Chief Executive Officer  
FRC/2013/IODN/00000004689



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## Independent Auditor's Report

To the Members of Afriland Properties Plc

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Afriland Properties Plc ('the Company'), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Afriland Properties Plc as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 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 financial statements section of our report. We are independent of the Company in accordance with the 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 financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



**Independent Auditor's Report**

To the Members of Afriland Properties Plc

Report on the Audit of the Financial Statements - Continued

Key Audit Matter	How the matter was addressed in the audit
<p><b>Goodwill impairment assessment</b></p> <p>The balance of goodwill on acquisition of Heirs Real Estate Limited in 2014 of N561.18 million is allocated to cash generating units ('CGUs') for the purpose of impairment testing.</p> <p>The goodwill impairment assessment involves judgment and forecast future cash flows associated with the utilization of goodwill, the discount rates, the growth rate of revenue and costs to be applied in determining the value-in-use and future business performance.</p> <p>No impairment was recorded against goodwill in the current financial year (2021: Nil).</p> <p>The disclosure of the goodwill impairment assessment is set out in Note 16.</p>	<p>Our audit procedures include, amongst others, the following:</p> <ul style="list-style-type: none"> <li>&gt; We checked the accuracy of the underlying model to assess whether the processes are applied to the correct input data and the outputs are mapped accurately.</li> <li>&gt; We evaluated management's future cash flow forecasts and the process by which they were determined and approved, including checking that the forecasts were consistent with the latest Board approved budgets and confirming the mathematical accuracy of the underlying calculations.</li> <li>&gt; We considered the accuracy of previous Management forecasts.</li> <li>&gt; We assessed evidence regarding the carrying value of goodwill, and the related disclosures, through challenging: <ul style="list-style-type: none"> <li>- key assumptions for growth rates in the cash flow forecasts by comparing them to historical results, and economic forecasts; and</li> <li>- the discount rates by independently estimating a range based on market data.</li> </ul> </li> <li>&gt; We performed sensitivity analysis around these assumptions to assess the extent of change that individually, or in combination, would be required for the goodwill to be impaired.</li> <li>&gt; We reviewed the appropriateness of the disclosures provided in accordance with IAS 36 'Impairment of Assets'.</li> </ul>



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#### Independent Auditor's Report

To the Members of Afriland Properties Plc

#### Report on the Audit of the Financial Statements - Continued

##### Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Afriland Properties Plc Annual Report for the year ended 31 December 2022", which includes the Report of the Directors, Statement of Corporate Social Responsibility, Statement of Director Responsibilities, Statutory Audit Committee Report and other National Disclosures (Value Added Statements and Five Year Financial Summary) which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 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 financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

##### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 controls.
- Obtain an understanding of internal controls 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 Company's internal controls.





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**Independent Auditor's Report**

To the Members of Afriland Properties Plc

**Report on the Audit of the Financial Statements - Continued**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 the 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.

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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



Omolola Alebiosu, FCA

FRC/2012/CAN/00000000145

For: Ernst & Young

Lagos, Nigeria

28 March 2023



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

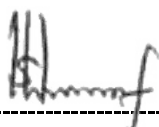
For the year ended 31 December 2022

	Notes	2022 ₦'000	2021 ₦'000
<b>Revenue from contract with customers</b>			
Fees and commission	4	625,712	849,074
Project management	5	224,071	93,852
		<u>849,783</u>	<u>942,926</u>
Rental income	6	990,943	683,952
Gain on disposal of investment properties	13.1	738	11,780
Sales of inventory property (Build to sell)	14.1	53,700	-
Cost of sales on inventory property	14.1	(3,743)	-
<b>Profit on inventory property</b>		<u>49,957</u>	<u>-</u>
<b>Total rental income and net revenue from contracts with customers</b>		<u>1,891,421</u>	<u>1,638,658</u>
Other operating income	7	413,545	300,445
Administrative expenses	8	(1,273,619)	(1,004,084)
Valuation gains from investment properties	13	679,907	721,353
<b>Operating profit</b>		<u>1,711,254</u>	<u>1,656,372</u>
Finance income	9	86,497	59,015
Finance cost	9.1	-	(111,462)
<b>Net finance income/ (cost)</b>		<u>86,497</u>	<u>(52,447)</u>
<b>Profit before taxation</b>		1,797,751	1,603,925
Income tax expense	10	(611,590)	(1,648,658)
<b>Profit/ (loss) for the year</b>		<u>1,186,161</u>	<u>(44,733)</u>
<b>Other comprehensive income net of tax</b>			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
<i>Fair value gain on equity instrument measured at fair value through other comprehensive income</i>			
	17	176,175	360,450
<b>Total comprehensive income for the year</b>		<u>1,362,336</u>	<u>315,717</u>
Earnings per share:			
Basic/ diluted earnings/ (loss) per share (Naira)	11	0.86	(0.03)

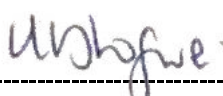
The accompanying notes to the financial statements form an integral part of these audited financial statements.

	Notes	2022 ₦'000	2021 ₦'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	68,235	74,929
Investment properties	13	12,411,107	12,196,578
Right-of-use assets	15	675	1,575
Intangible assets	16	562,595	563,120
Equity instrument at fair value through OCI	17	1,265,625	1,089,450
Prepayments	18.1	24,444	20,344
		<b>14,332,681</b>	<b>13,945,996</b>
<b>Current Assets</b>			
Inventory properties	14	3,253,914	477,576
Trade and other receivables	19	1,265,206	1,485,590
Other assets	20	148,391	27,195
Prepayments	21	33,717	27,033
Cash and cash equivalents	22	341,420	1,337,440
		<b>5,042,648</b>	<b>3,354,834</b>
<b>Total assets</b>		<b>19,375,329</b>	<b>17,300,830</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	23.1	686,950	686,950
Share premium	23.2	2,944,271	2,944,271
Fair value reserve of financial assets through OCI		321,225	145,050
Retained earnings		7,291,989	6,243,218
<b>Total equity</b>		<b>11,244,435</b>	<b>10,019,489</b>
<b>Non-Current Liabilities</b>			
Contract liabilities	25	1,453,295	6,076
Deferred tax liabilities	26.2	1,690,533	1,326,764
		<b>3,143,828</b>	<b>1,332,840</b>
<b>Current Liabilities</b>			
Trade and other payables	24	2,840,923	2,805,430
Interest-bearing loans and borrowings	27.1	1,225,082	-
Contract liabilities	25	642,724	2,787,096
Income tax payable	26.1	278,337	355,975
		<b>4,987,066</b>	<b>5,948,501</b>
<b>Total liabilities</b>		<b>8,130,894</b>	<b>7,281,341</b>
<b>Total equity and Liabilities</b>		<b>19,375,329</b>	<b>17,300,830</b>

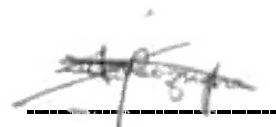
The audited financial statements were approved by the Board of Directors on 22nd February 2023 and signed on behalf of the Board of Directors by:



Emmanuel Nhorom  
Chairman  
FRC/2014/ICAN/00000007402



Uzoamaka Oshogwe  
Managing Director/ CEO  
FRC/2013/IODN/00000004689



Obiorah Ozugha  
Chief Financial Officer  
FRC/2013/ICAN/00000004513

The accompanying notes to the financial statements form an integral part of these audited financial statements.

	Notes	capital N'000	Share premium N'000	Retained earnings N'000	Fair value reserve of financial assets through OCI N'000	Total equity N'000
At 1 January 2022		686,950	2,944,271	6,243,218	145,050	10,019,489
Profit for the year		-	-	1,186,161	-	1,186,161
Other comprehensive income for the year, net of tax		-	-	-	176,175	176,175
Cash dividend	23.3	-	-	(137,390)	-	(137,390)
<b>At 31 December 2022</b>		<b><u>686,950</u></b>	<b><u>2,944,271</u></b>	<b><u>7,291,989</u></b>	<b><u>321,225</u></b>	<b><u>11,244,435</u></b>
At 1 January 2021		686,950	2,944,271	6,356,646	(215,400)	9,772,467
Loss for the year		-	-	(44,733)	-	(44,733)
Other comprehensive income for the year, net of tax		-	-	-	360,450	360,450
Cash dividend	23.3	-	-	(68,695)	-	(68,695)
<b>At 31 December 2021</b>		<b><u>686,950</u></b>	<b><u>2,944,271</u></b>	<b><u>6,243,218</u></b>	<b><u>145,050</u></b>	<b><u>10,019,489</u></b>

The accompanying notes to the financial statements form an integral part of these audited financial statements.

	Notes	2022 R'000	2021 R'000
Profit before taxation		1,797,751	1,603,925
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Expected credit loss/ (write back) on financial assets	32	10,664	(955)
(Write back)/ expected credit loss charge on short-term deposits	22	(9)	301
Write back on expected credit loss on staff loan	32	(304)	
Amortisation of intangible assets	16	1,025	1,709
Depreciation of property, plant and equipment	12	56,471	55,311
Depreciation of right-of-use asset	15	900	900
Provisions no longer required	7	(11,461)	(7,420)
Gain on disposal of investment properties	13.1	(738)	(11,780)
Gain on disposal of inventory properties	14.1	(49,957)	-
Gain on disposal of property, plant and equipment	7	(459)	-
Finance income	9	(86,497)	(59,015)
Finance cost	9.1	-	111,462
Fair value gain on investment properties	13	(679,907)	(721,353)
<b>Working capital adjustments:</b>			
Increase in inventory properties		(2,216,390)	
Decrease in trade and other receivables		26,954	616,059
Increase in prepayments		(10,784)	(8,558)
(Increase)/ decrease in other assets		(121,196)	108,963
Increase/ (decrease) in trade and other payables		46,954	(342,528)
Decrease in contract liabilities and deferred income		(697,153)	(167,326)
		<u>(1,934,136)</u>	<u>1,179,695</u>
Income tax paid	26.1	(142,389)	(32,924)
<b>Net cash flows (used in)/ from operating activities</b>		<u>(2,076,525)</u>	<u>1,146,771</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	12	(49,789)	(1,900)
Purchase of intangible assets	16	(500)	(1,820)
Purchase of investment properties	13	(10,731)	(645,153)
Proceeds from disposal of investment properties (net)	13.1	3,238	38,080
Proceeds from disposal of inventory properties (net)	14.1	53,700	-
Proceeds from disposal of property, plant and equipment		471	-
Interest received	9	86,497	59,015
<b>Net cash flows from/ (used in) investing activities</b>		<u>82,886</u>	<u>(551,778)</u>
<b>Financing activities</b>			
Dividend paid	23.3	(137,390)	(68,695)
Loans and borrowings	27.1	1,185,000	-
Repayments of loans and borrowings	27.1	(50,000)	-
Interest paid	9.1	-	(32,668)
<b>Net cash flows from/ (used in) financing activities</b>		<u>997,610</u>	<u>(101,363)</u>
Net (decrease)/ increase in cash and cash equivalents		(996,029)	493,630
Cash and cash equivalents at 1 January		1,338,138	844,508
Cash and cash equivalents at 31 December	22	<u>342,109</u>	<u>1,338,138</u>



# TO THE FINANCIAL STATEMENTS



## 1. Corporate information

Afriland Properties Plc was incorporated as a private limited liability company on 14 March 2007 and became a public company in 2011.

Afriland Properties Plc (APP) is a Company domiciled in Nigeria. The address of the Company's registered office is 97/105 Broad Street, Lagos. The company is a property management, investment and development company offering end-to-end services along the real estate value chain, from management to joint venture investments. The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with the resolution of the Directors on 22nd February 2023.

## 2 Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), Financial Reporting Council of Nigeria Act No 6, 2011 and in accordance with Companies and Allied Matters Act, 2020.

### 2.2 Income and cash flow statement

Afriland Properties Plc has elected to present a single statement of comprehensive income and presents its expenses by function.

The Company reports cashflows from operating activities using the indirect method. Interest received is presented within investing cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Company's business activities.

### 2.3 Basis of measurement

These financial statements are prepared on the historical cost basis except for the following:

- Investment properties which are measured at fair value.
- The investment in quoted equity instruments are classified as Fair Value through Other Comprehensive Income.

### 2.4 Functional and presentation currency

The financial statements are presented in Nigerian Naira (N), which is the Company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousands (N'000).

### 2.5 Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continues to be prepared on going concern basis.

### 2.6 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

### **Judgements**

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

#### **Operating lease contracts**

##### **The Company as lessor**

The company has entered into commercial property leases on its investment property portfolio. The company has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

##### **The Company as lessee**

The company has a lease contract for the rented office building. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Although the lease contract contains an extension option, Management is reasonably certain that they will not exercise its option to extend but terminate at the end of the non-cancellable lease term in the contract. Refer to Note 3.18 for details.

#### **Revenue from contracts with customers**

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

##### **Identifying performance obligations in a bundled sale of design and project management services**

The Company provides architectural designs that are either sold separately or bundled together with the provision of project management services to a customer. The project management services are a promise to ensure conformity to the approved design which is completed typically within a year or less than 12 months.

The Company determined that both the design and project management services are capable of being distinct. The fact that the Company regularly sells both design and project management services on a stand-alone basis indicates that the customer can benefit from either the product or service on their own. The Company also determined that the promises to transfer the design and to provide project management services are distinct within the context of the contract. The design and project management are not inputs to a combined item in the contract. The Company is not providing a significant integration service because the presence of the design and project management service together in this contract do not result in any additional or combined functionality and neither the design nor the project



management service modify or customise the other. In addition, the design and project management service are not highly interdependent or highly interrelated, because the Company would be able to transfer the design even if the customer declined project management service and would be able to provide project management service in relation to products sold by other distributors.

Consequently, the Company allocated a portion of the transaction price to the design and the project management services based on contract price.

### **Estimates and assumption**

The key assumptions concerning the future and other key sources of estimating 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 company based its assumptions and estimates on parameters available when the 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 Company. Such changes are reflected in the assumptions when they occur.

### **Property, plant and equipment**

The Management's estimate is used in determining the depreciation rates and useful lives of these assets at the end of the period. Further details of property, plant and equipment are disclosed in Note 12.

### **Investment property**

The Company makes use of external valuation experts. All properties are valued by external valuers on an annual basis. The following valuation assumptions are used:

In arriving at the Fair Value of the properties, we have adopted the Investment and Depreciated Current Replacement Cost Methods of Valuation.

According to IFRS 13, 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. The concept of Fair Value is in line with that of Market Value as defined by the International Valuation Standards (IVS) which defined Market Value as the most probable price that an item should be bought in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from the seller to the buyer under conditions whereby:

The Investment Method of Valuation entails the estimation of the rental value of the property and there from deducting outgoings necessary to maintain the property in a state to continue to command such rent and capitalizing the residue over the unexpired term of leasehold interest or in perpetuity as the case may be.

The Depreciated Current Replacement Cost Method of Valuation is the current cost of reinstating the existing structures on site with the entire site works in today's market price, depreciated adequately to reflect the physical condition, economic and functional obsolescence onto which is added the market value of the bare site in its existing use.

Further details of fair value of investment properties are disclosed in Note 13.

### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less, incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cashflows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### **Impairment losses on financial assets**

The measurement of impairment losses under IFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

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

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

## **3 Summary of significant accounting policies**

### **3.1 Current versus non-current classification**

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
  - It is held primarily for the purpose of trading,
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

### 3.2 Goodwill

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred and the amount recognised for non-controlling interests, and the fair value of any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### 3.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The company has determined that its chief operating decision-maker is the Chief Executive Officer (CEO) of the Company. Segment information is presented in respect of the following Company's business segments:

- 1 Facilities Management
- 2 Project Development
- 3 Business Development
- 4 Others \*

\*Others comprises transactions outside the three revenue streams, such as agency services.

### 3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the reporting date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The Company makes use of internal and external valuation experts. All properties are valued by external valuers on an annual basis. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

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

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

amount of the replaced part is derecognised.

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

Changes in fair values are recognised in the profit or loss. Investment properties are derecognised when they have been disposed. Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the profit or loss within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

### 3.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

i.	Freehold land	-	Nil
ii.	Freehold building	-	50 years
iii.	Plant and machinery	-	5 to 7 years
iv.	Motor vehicles	-	4 to 6 years
v.	Furniture, fittings and equipment	-	3 to 5 years
vi.	Computer equipment	-	3 to 5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date. Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss for the year.

### 3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

#### **The useful lives of intangible assets are assessed as either finite or indefinite.**

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised. The estimated useful lives for the current year are as follows;

Computersoftware - 3 years

### 3.7 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

### 3.8 Inventory properties

Properties 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 inventory property and is measured at the lower of cost and net realisable value (NRV). Cost includes;

- i Freehold and leasehold rights for land
- ii Amounts paid to contractors for construction
- iii Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

### 3.9 Share capital and reserves

Shares are classified as equity when there is no obligation to transfer cash or other assets.

#### Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

#### Dividend on ordinary shares

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

#### Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies and Allied Matters Act, 2020, a distribution is authorised when it is approved by the shareholders at the Annual General Meetings (AGM). A corresponding amount is recognised directly in equity.

### 3.10 Employee benefits

#### i Post-employment benefits - Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to Pension Fund Administrators on a statutory basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The company operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employer and the employee contributions are 10% and 8% respectively of the qualifying employee's salary.

#### ii Short-term benefits

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

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

### iii Retirement and Termination

The Company has no defined benefit scheme but pays its employees all accrued allowances, bonuses and entitlements upon exit of the Company.

## 3.11 Contract balances

### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.16) Financial instruments – initial recognition and subsequent measurement.

### Contract liabilities

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

## 3.12 Revenue recognition

### Revenue is recognised under the following categories:

Revenue from contracts with customers:

- Project development income
- Sale of inventory properties
- Sale of completed property
- Sale of property under development
- Fees from facilities management services
- Rental income (IFRS 16)

### Other income:

- Sale of investment property
- Interest income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which Afriland expects to be entitled in exchange for those goods or services. The Company considers if it is the Principal or Agent in its revenue arrangements.



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

### **Project development income**

Afriland also provides Project Management services that are either sold separately or bundled together with the sale of Design to a customer. The project management services can be obtained from other providers and do not significantly customize or modify the provision of Design. Project development income consist of two separable deliverables of bundled sales whose prices are determined at 7.5% and 2.5% of contract price for design and project management respectively.

Contracts for Project Design and Project Management service are comprised of two performance obligations because the promise to provide Design and provide Project Management services are capable of being distinct and separately identifiable. Accordingly, the Company allocates the transaction price based on contract price.

The Company recognizes revenue from Project management services at a point in time, because the services only involve ensuring acquiescence with the design provided by the Company and such contracts are completed within a year or less than 12 months. Hence, the Company recognizes revenue generally when the project is completed. The normal credit term for Project development services is 30 to 60 days upon completion. The project management services can be obtained from other providers and do not significantly customize or modify the provision of design.

### **Sale of Inventory Property**

The sale of inventory property can either be a completed property or property under development.

#### **Sale of completed property**

A property is regarded as sold when the control of the real estate has been transferred to the buyer, for unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied. Contracts for sale of completed property are valid contracts and enforceable at inception with a promise to deliver completed property. Revenue from sale of completed property is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of legal title of the property.

#### **Sales of property under development**

If, however, the legal terms of the contract are such that the performance obligation represents a transfer of work in progress to the purchaser, revenue will be recognized at a point in time when legal title of the property has been transferred to the customer. Hence when:

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer, and
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer in its incomplete state.

Accordingly, the Company recognises the transaction price in the profit or loss. There are no form of variable consideration availed to the purchaser.

### **Determining the timing of satisfaction of sales of Inventory Properties**

The Company concluded that revenue for sales of inventory properties is to be recognised at a point in time; when the customer obtains control of the property. Afriland assess when control is transferred using the indicators below:

- The Company has a present right to payment for the property sold;
- The Customer has legal title to the property;
- The Company has performed its obligations in the contract;
- The Company has transferred control of the asset and payment has been received; and
- The Customer has accepted the asset

### **Contract assets**

If the Company performs by transferring uncompleted properties to a customer before the customer pays consideration or before payment is due contingent on the condition that the property is completed by the Company, a contract asset is recognised for the earned consideration.

### **Fees and commission**

The Company recognises revenue from facilities management over time as service is being performed. The normal credit term is between 30-60 days.

The entity recognises revenue from project directorate services over time. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due. More so, revenue from agency services is recognised at a point in time, where control is transferred, generally when the customer accepts and pays for the property.

### **Determining the timing of satisfaction of Facilities Management Services**

The Company concluded that revenue from Facilities Management is to be recognised over time; as service is being performed which automatically transfers control.

### **Service charges, management charges and other expenses recoverable from tenants**

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in Net rental income gross of the related costs, as the Directors consider that the Company acts as principal in this respect.

### **Determining the timing of satisfaction of Project Management Services**

Project Management service involves acceptance of design provided by the company. Afriland concluded that revenue for project management services exist at a point in time.

### **Determining the timing of satisfaction of Project Directorate Services**

Afriland concluded that revenue for percentage project directorate services exist over-time. Project directorate service contracts are enforceable at inception.

### **Principal versus agent considerations**

The entity sources accommodation, acquires and disposes properties, and negotiates, collect, and pay rent on behalf of its customers. The Company does not control the specified good or service provided by another party before that good or service is transferred to the

customer.

When the Company is acting as an agent, the commission rather than gross income is recorded as revenue. Hence, when it satisfies a performance obligation, the entity recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. It records revenue on the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party. It also considers if it is a Principal or Agent in its arrangements with customers.

Therefore, the Company has determined that it is an Agent in these contracts and thus, recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. It records revenue on the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

#### **Determining the timing of satisfaction of Agency Services**

The Company concluded that revenue for agency services is to be recognised at a point in time; when the customer obtains control of the product or service. It assesses when control is transferred using the indicators below:

- The Company has a present right to payment for the service;
- The Customer has legal title to the goods;
- The Company has performed its obligations in the contract;
- The Company has transferred control of the asset and payment has been received; and
- The Customer has accepted the asset

#### **Other income**

##### **Sale of Investment property**

Income from the sale of investment properties is recognised by the entity when the control have been transferred to the customer, which is considered to occur when title passes to the customer, all managerial responsibilities and control are completely devolved to the customer and where the costs and income on sale can be measured reliably. Control is transferred when the legal title or possession is passed to the customer. The granting of the legal title is an administrative matter that can have significant delays.

#### **Determining the timing of satisfaction of sales of Investment Properties**

The Company concluded that revenue for sales of investment properties is to be recognised at a point in time; when the customer obtains control of the property. Afriland assess when control is transferred using the indicators below:

- The Company has a present right to payment for the property sold;
- The Customer has legal title to the goods;
- The Company has performed its obligations in the contract;
- The Company has transferred control of the asset and payment has been received; and
- The Customer has accepted the asset

#### **Rental income**

The Company is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in 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. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

### **Interest**

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 the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

### **3.13 Income tax expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the exposure method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

### **3.14 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset

that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 3.15 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 3.16 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are initially measured at fair value plus or less transaction costs.

#### i. Financial assets

##### Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for

which the Company has applied the practical expedient, as they initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 3.12 Revenue from contracts with customers.

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

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the entity commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

### **Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Company. It measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The financial assets at amortised cost includes trade and other receivables, staff loans, sundry debtors, cash and short-term deposits.

### **Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of

equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company elected to classify irrevocably its listed equity investments under this category.

### **Derecognition**

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

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

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

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

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

### **Impairment of financial assets**

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and rent receivables, the Company applies a simplified approach in calculating ECLs. Therefore, it does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For short-term deposit, the general approach was adopted in calculating the ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

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

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## ii. **Financial liabilities**

### **Initial recognition and measurement**

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The financial liabilities include trade and other payables, and interest-bearing loans and borrowings.

### **Loans and borrowings**

This is the category most relevant to Afriland. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## iii. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the entity's



statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.17 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3.18 Leases

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

#### Company as a lessee

Afriland Properties Plc. (APP) applies initial recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Company has lease contracts for rented office building. The lease of rented office building has a lease term of 5 years. Afriland recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- **Office buildings 5 years**

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.19 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

- i IFRS 17 – Insurance Contracts – 1 January 2023
- ii Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current - 1 January 2024
- iii Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - 1 January 2023
- iv Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 - 1 January 2023

- v Definition of Accounting Estimates - Amendments to IAS 8 - 1 January 2023
- vi Lease Liability in a Sale and Leaseback – Amendments to IFRS 16  
The Company intends to adopt these standards, if applicable, when they become effective.

### 3.20 New standards and interpretations effective in the current year

The nature and effect of the changes as a result of adoption of these new accounting standards are described below. The amendments and interpretations apply for the first time in 2022, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standard, interpretation or amendment that have been issued but are not yet effective.

#### i Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the year.

#### ii Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

#### iii IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not

a first-time adopter.

**iv IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

**v IAS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

**vi Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision).

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. These amendments had no impact on the financial statements of the Company as it did not have any Onerous Contract in scope of IAS 37 as at the reporting date.

	<b>2022</b>	<b>2021</b>
	N'000	N'000
<b>4 Fees and commission</b>		
Facility Management	47,501	47,800
Agency	101,043	132,095
Project Development	469,114	327,062
Project Directorate	8,054	342,117
	<b>625,712</b>	<b>849,074</b>

#### Timing of revenue recognition

Goods and services transferred at a point in time	570,157	459,157
Goods and services transferred over time	55,555	389,917
	<b>625,712</b>	<b>849,074</b>

Facility Management fee represents fee earned on planned preventive maintenance and property life cycle maintenance for the Company's clients.

Agency fee represents income earned on the management of tenant in our client's properties.

Project Directorate fee represents fee on project advisory and management services to the Company's clients.

Project Management fee represents fee on property design and development services for the Company's clients.

#### At 31 December 2022

Segments	Facilities Management	Project Development	Project Directorate	Others	Total
	N'000	N'000	N'000	N'000	N'000
<b>Major goods/service lines</b>					
Facilities Management Services	47,501	-	-	-	47,501
Agency Service	-	-	-	101,043	101,043
Project Development	-	469,114	-	-	469,114
Project Directorate	-	-	8,054	-	8,054
<b>Total</b>	<b>47,501</b>	<b>469,114</b>	<b>8,054</b>	<b>101,043</b>	<b>625,712</b>

#### At 31 December 2021

Segments	Facilities Management	Project Development	Project Directorate	Others	Total
	N'000	N'000	N'000	N'000	N'000
<b>Major goods/service lines</b>					
Facilities Management Services	47,800	-	-	-	47,800
Agency Service	-	-	-	132,095	132,095
Project Development	-	327,062	-	-	327,062
Project Directorate	-	-	342,117	-	342,117
<b>Total</b>	<b>47,800</b>	<b>327,062</b>	<b>342,117</b>	<b>132,095</b>	<b>849,074</b>

## Performance obligations - Tabular form

### Revenue

The Company's typical performance obligations include the following:

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due	How Stand alone Selling Price is Typically Estimated
<b>Facilities Management Services</b>			
Facility management	The Company recognizes revenue as it renders the management services to its customers (over time).	Within 60 days	Observable in contract document
<b>Project Development &amp; Management</b>			
<b>Project Design</b>	On completion of the design	Within 60 days	Observable in contract document
<b>Project Supervision</b>	When project is completed	Within 60 days	Observable in contract document
<b>Project Directorate</b>	The revenue from the directorate services is recognised overtime as the project is monitored on behalf of its customers.	Within 60 days	Observable in contract document
<b>Agency Services</b>	When customer accepts and pays for the property (point in time)	Upon acceptance of the property	Observable in contract document
<b>Sales of Properties</b>			
<b>Build to sell</b>	When the title, control of the properties are transferred to the customer and this is generally on delivery of the property (point in time).	Payment is due on delivery date	Observable in contract document

### Contract liabilities

Contract liabilities consists of advance payments received from customers and deferred revenue, mainly from rental income.

Movements in contract liabilities for the year ended 31 December are as follows:

	<b>Rents and contract sums received in advance</b>
<b>Contract liabilities</b>	<b>N'000</b>
<b>1 January 2022</b>	2,793,172
Deferred during the year	293,790
Released to statement of profit or loss (Note 25)	(990,943)
<b>31 December 2022</b>	<b>2,096,019</b>
<b>Contract liabilities</b>	<b>Total</b>
<b>1 January 2021</b>	<b>N'000</b>
Deferred during the year	2,960,498
Released to statement of profit or loss (Note 25)	516,626
	(683,952)
<b>31 December 2021</b>	<b>2,793,172</b>

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>5 Project management</b>	<b><u>224,071</u></b>	<b><u>93,852</u></b>

Project management income represents revenue derived from the execution of facelifts for customers' offices and the supervision of on-going renovation of customers' project. Contracts relating to project development income are recognised at a point in time when control is transferred.

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>6 Rental income</b>	<b><u>990,943</u></b>	<b><u>683,952</u></b>

There is no contingent rental income during the year ended 31 December 2022 (2021: Nil).

#### **6.1 Leases - Company as lessor**

The Company has entered into leases on its property portfolio. The commercial property leases have lease terms between 1 and 5 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
Within 1 year	642,724	2,787,096
After 1 year, but not more than 5 years	1,453,295	6,076
	<b><u>2,096,019</u></b>	<b><u>2,793,172</u></b>

#### **7 Other operating income**

Write back of expected credit loss on trade receivables (Note 32)	-	477
Write back of expected credit loss on rent receivables (Note 32)	-	478
Write back of expected credit loss on staff receivables (Note 32)	304	-
Write back of expected credit loss on short term deposits (Note 22)	9	-
Gain on disposal of property, plant and equipment	459	-
Sales of tiles and others	401,312	292,070
Provisions no longer required (Note 7.1)	11,461	7,420
	<b><u>413,545</u></b>	<b><u>300,445</u></b>

Other operating income was derived from non-core business activities like miscellaneous fees, sales of tiles and others.

**7.1** Provisions no longer required relates to excess provision on staff benefits, sundry debtors and contracts obtained from affiliates, no longer required.

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>8 Administrative expenses</b>		
Staff costs (Note 8.1)	558,711	420,227
Depreciation of property, plant and equipment (Note 12)	56,471	55,311
Depreciation of Right-of-Use assets (Note 15)	900	900
Amortization of intangibles (Note 16)	1,025	1,709
Loss on forfeiture of investment property	-	172,474
Other administrative expenses (Note 8.2)	656,512	353,463
	<b><u>1,273,619</u></b>	<b><u>1,004,084</u></b>

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>8.1 Staff costs</b>		
Salaries and wages	443,875	359,581
Staff allowances and other benefits	114,836	60,646
	<b>558,711</b>	<b>420,227</b>
<b>8.2 Other administrative expenses</b>		
Advertising and publicity	44,436	29,214
Annual General Meeting	65,431	63,824
Audit fees *	12,000	10,000
Expected credit losses on short-term deposits	-	301
Expected credit losses on rent receivables	576	-
Expected credit losses on trade receivables	10,088	-
Bank charges	4,490	1,376
Consultancy and professional fees **	186,817	61,311
Directors emoluments	28,991	22,785
Corporate Social Responsibility	86,053	26,844
Entertainment	38,698	3,966
Information system	69,836	50,164
Insurance premium	7,491	5,863
Industrial Training Fund (ITF) levy	4,518	3,287
Land use charge	8,819	4,637
Newspapers and periodicals	3	21
Nigerian Social Insurance Trust Fund (NSITF) levy	4,093	2,739
Nigerian Housing Fund (NHF) levy	2,254	1,807
Printing and stationeries	2,337	1,751
Rent and rates	178	94
Repairs and maintenance	49,177	39,974
Office security	9,270	12,598
Statutory filling	42	86
Subscriptions to professional bodies	3,190	642
Telephone and communication	2,255	2,372
Travel and transport	14,394	5,813
Training and development	1,075	1,994
	<b>656,512</b>	<b>353,463</b>

\* Audit fees represents fees paid for audit services.

\*\* Consultancy and professional fees comprise the following nature of services - tax, legal, and strategic advisory services amounting to N186 million. No other professional services were rendered during the year. None of these services were rendered by Ernst & Young.



9	<b>Finance income</b>	<b>2022</b>	<b>2021</b>
		<b>₦'000</b>	<b>₦'000</b>
	Interest income on bank placement	85,160	57,728
	Interest income on staff loan	1,337	1,287
		<u>86,497</u>	<u>59,015</u>

The finance income is recognised using the effective interest method.

9.1	<b>Finance cost</b>	<b>2022</b>	<b>2021</b>
		<b>₦'000</b>	<b>₦'000</b>
	Interest expense on loan	-	111,462

No payment was made on interest on loan during the year (2021:N32.668million). Interest accrued on promissory note during the year was capitalised.

10	<b>Income tax expense</b>	<b>2022</b>	<b>2021</b>
		<b>₦'000</b>	<b>₦'000</b>
	<b>Current income tax</b>		
	Company income tax expense	198,285	183,070
	Education tax	49,444	44,644
	Police Trust Fund (PTF) Levy	92	48
	Capital gains tax	-	94,132
	Current year income tax	247,821	321,894
	Deferred tax expense (Note 26.2)	363,769	1,326,764
	<b>Total income tax expense reported in profit or loss</b>	<u>611,590</u>	<u>1,648,658</u>

10.1	<b>Reconciliation of tax</b>		
	<b>Profit before taxation</b>	<u>1,797,751</u>	<u>1,603,925</u>
	Tax at Nigeria statutory income tax of 30%	539,325	481,178
	Impact of disallowed expenses for tax purpose	19,712	68,163
	Impact of non-taxable income	(221)	(3,354)
	Impact of education tax	49,444	44,644
	Impact of capital gains tax	-	94,132
	Tax incentives	-	(108)
	Previously unrecognised deferred tax now recognised	-	1,108,225
	Difference in CIT and other tax rates	3,238	(144,270)
	Police Trust Fund (PTF) Levy	92	48
		<u>611,590</u>	<u>1,648,658</u>

## 11 Basic/diluted earnings/ (loss) per share

Basic earnings/ (loss) per share is calculated by dividing profit/ (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/ (loss) per share is calculated by dividing profit/ (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings/ (loss) computations.

	2022 ₦ '000	2021 ₦'000
<b>Profit/ (loss) for the year attributable to ordinary equity holders</b>	<b>1,186,161</b>	<b>(44,733)</b>
	<b>Number '000</b>	<b>Number '000</b>
Weighted average number of ordinary shares for basic earnings per share	1,373,900	1,373,900
Weighted average number of ordinary shares for diluted earnings per share	1,373,900	1,373,900
Basic earnings/ (loss) per share - Naira	0.86	(0.03)
Diluted earnings/ (loss) per share - Naira	0.86	(0.03)

There are no dilutive instruments in issue as at reporting date thus dilutive and basic earnings/ (loss) per share are same.

## 12 Property, plant and equipment

	Plant and Furniture, fittings and machinery		Motor vehicles	Computer equipment		Total
	₦'000	₦'000		₦'000	₦'000	
<b>Cost:</b>						
At 1 January 2021	7,871	170,686	74,696	18,211	271,464	
Additions	-	130	-	1,770	1,900	
<b>At 31 December 2021</b>	<b>7,871</b>	<b>170,816</b>	<b>74,696</b>	<b>19,981</b>	<b>273,364</b>	
At 1 January 2022	7,871	170,816	74,696	19,981	273,364	
Additions	-	2,328	40,000	7,461	49,789	
Disposal	-	(4,040)	-	(36)	(4,076)	
<b>At 31 December 2022</b>	<b>7,871</b>	<b>169,104</b>	<b>114,696</b>	<b>27,406</b>	<b>319,077</b>	
<b>Accumulated depreciation:</b>						
At 1 January 2021	6,706	65,119	59,366	11,933	143,124	
Charge for the year	1,043	39,893	10,861	3,514	55,311	
<b>At 31 December 2021</b>	<b>7,749</b>	<b>105,012</b>	<b>70,227</b>	<b>15,447</b>	<b>198,435</b>	
At 1 January 2022	7,749	105,012	70,227	15,447	198,435	
Charge for the year	111	40,009	11,183	5,168	56,471	
Disposal	-	(4,031)	-	(33)	(4,064)	
<b>At 31 December 2022</b>	<b>7,860</b>	<b>140,990</b>	<b>81,410</b>	<b>20,582</b>	<b>250,842</b>	
<b>Carrying amount:</b>						
<b>At 31 December 2022</b>	<b>11</b>	<b>28,114</b>	<b>33,286</b>	<b>6,824</b>	<b>68,235</b>	
<b>At 31 December 2021</b>	<b>122</b>	<b>65,804</b>	<b>4,469</b>	<b>4,534</b>	<b>74,929</b>	

### Property, plant and equipment

- There is no restriction on title, and no property, plant and equipment were pledged as security for liabilities;
- The amount of expenditures recognised is the carrying amount of an item of property, plant and equipment in the course of its construction;
- No contractual commitments for the acquisition of property, plant and equipment; and
- No compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss.
- No temporarily idle property, plant and equipment;
- No property, plant and equipment retired from active use; none was classified as held for sale in accordance with IFRS 5; and no fair value of property, plant and equipment is materially different from the carrying amount."

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>13 Investment properties</b>		
At 1 January	12,196,578	22,426,720
Additions	10,731	645,153
Disposals (Note 13.1)	(2,500)	(26,300)
Forfeiture of property	-	(11,097,000)
Transfers to inventory property (Note 14)	(477,837)	(473,348)
Transfer from inventory property (Note 14)	4,228	-
Fair value gain	679,907	721,353
<b>At 31 December</b>	<b>12,411,107</b>	<b>12,196,578</b>
<b>13.1 Gain on disposal of investment properties</b>		
Disposal	2,500	26,300
Proceeds on disposal	(3,500)	(41,200)
Selling expenses	262	3,120
Gain on disposal	<b>(738)</b>	<b>(11,780)</b>

The Company's investment properties consist of several properties across Nigeria. Management determined that the investment properties consist of three classes of assets – office, residential and bare lands based on the nature, characteristics and risks of each property.

As at 31 December 2022, the fair values of the properties are based on valuations performed by external professional, Oपुरum & Partners. The Managing Partner is C. J. Oपुरum FRC/2014/NIESV/0000009134, a member of Chartered Estate Surveyors and an accredited independent valuer, a specialist in valuing these types of investment properties. The market data valuation approach, in accordance with what is recommended by the International Valuation Standards Committee has been applied after making the following assumptions:

- a) That the information which the valuation is based on is correct;
- b) That the title to the property is good and marketable;
- c) That the property is not adversely affected by or subject to compulsory acquisition, road widening, new proposal or planning scheme;
- d) That the property is free from all onerous charges and restrictions.

The investment properties were valued on the basis of open market; that is the price which an interest in a property or an item of plant and machinery might reasonably be expected to realise in a sale by a private treaty assuming:

- a) a willing buyer;
- b) a reasonable period within which to negotiate the sale taking into account the nature of the assets and the state of the market;
- c) values will remain static throughout the period;
- d) the assets will be freely exposed to the market;
- e) no account is to be taken as an additional bid by a special purchaser;
- f). no account is to be taken of expense of realisation, which may arise in the event of a disposal.

### 13.1 Investment properties - Continued

	2022 N'000	2021 N'000
Rental income derived from investment properties	990,943	683,952
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in admin expense)	(1,864)	(200)
Direct operating expenses that generate rental income (included in admin expense)	-	(997)
<b>Profit arising from investment properties carried at fair value</b>	<b><u>989,079</u></b>	<b><u>682,755</u></b>

Types of Investment properties	Valuation technique	Non-observable inputs
Office properties	The valuation is based on physical inspection of the condition, qualities, features and characteristics of the properties. The value of the office properties was derived using a market data approach.	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties. The price range used per square metre are N10,000 – N55,000
Residential properties	The depreciated replacement cost of the buildings/structure has been assessed by the contractors test method based on current building/construction cost indices taking into account the condition, age, qualities, features and characteristics of the buildings/structures. The fair value has been adjusted for all forms of obsolescence. (i.e physical deterioration and obsolescence.	Estimated price per square meters adjusted for the nature, location and conditions of the investment properties. The price range used per square metre are N5,000–N25,000
Bare land	The value of the landed property was arrived at using market data approach after a thorough analysis of recent sales transaction of similar sites in comparable locations.	The significant observable inputs used are; - Area of square meters- Rate of development in the area - Quality of the land- The land are free from all onerous encumbrances and or charges- The lands are not subject to any compulsory acquisition or road widening scheme.

	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>14 Inventory properties</b>		
At 1 January	477,576	4,228
Additions	2,306,472	-
Transfer from investment properties (Note 13)	477,837	473,348
Disposal	(3,743)	-
Transfer to investment property (Note 13)	(4,228)	-
At 31 December	<b><u>3,253,914</u></b>	<b><u>477,576</u></b>
<b>14.1 Gain on disposal of inventory properties</b>		
Disposal	(3,743)	-
Proceeds on disposal	60,000	-
Selling expenses	(6,300)	-
Gain on disposal	<b><u>49,957</u></b>	<b><u>-</u></b>

#### 14.2 Capitalised borrowing costs

The Company capitalised borrowing costs for assets under construction. The borrowing cost directly attributable to the construction of the projects that take substantial period of time to get ready for the intended use are capitalized as part of the cost of the assets. At 31 December 2022, the amount capitalized on proprietary project during construction - 4 Club Road Ikoyi is N90,081,575 (2021: Nil) and the borrowing cost is part of additions to inventory properties.

The Company develops properties, which it sells in the ordinary course of business. Revenue from sales of inventory property where the contracts are not in substance construction contracts and do not lead to a continuous transfer of work in progress, is recognised when both: (i) construction is complete; and (ii) either legal title to the property has been transferred or there has been an unconditional exchange of contracts. Construction and other expenditure attributable to such property are included in inventory property until disposal.

#### 15 Right-of-use assets Company as a lessee

The Company has lease contract for rented office building. The lease of rented office building has a lease term of 5 years. The Company has made full payment for the lease for the 5 year period and therefore have no lease liability regarding the office building.

Set out below are the carrying amount of right-of-use assets recognised and the movements during the year:

	<b>Office Building</b>	
	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
At 1 January	1,575	2,475
Depreciation expense for the year	(900)	(900)
	—	—
<b>At 31 December</b>	<b>675</b>	<b>1,575</b>
	=====	=====
<b>The following amount was recognised in profit or loss:</b>	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
Depreciation expense of right-of-use assets	900	900
	-----	-----
<b>Total amount recognised in profit or loss</b>	<b>900</b>	<b>900</b>
	=====	=====

## 16 Intangible assets

	Goodwill ₦000	Computer software ₦000	Total ₦000
<b>Costs</b>			
<b>At 1 January 2021</b>	842,471	19,173	861,644
Additions	-	1,820	1,820
<b>At 31 December 2021</b>	<u>842,471</u>	<u>20,993</u>	<u>863,464</u>
<b>At 1 January 2022</b>	842,471	20,993	863,464
Additions	-	500	500
<b>At 31 December 2022</b>	<u>842,471</u>	<u>21,493</u>	<u>863,964</u>
<b>Amortisation</b>			
<b>At 1 January 2021</b>	281,289	17,346	298,635
Charge for the year	-	1,709	1,709
<b>At 31 December 2021</b>	<u>281,289</u>	<u>19,055</u>	<u>300,344</u>
<b>At 1 January 2022</b>	281,289	19,055	300,344
Charge for the year	-	1,025	1,025
<b>At 31 December 2022</b>	<u>281,289</u>	<u>20,080</u>	<u>301,369</u>
<b>Carrying amount:</b>			
<b>At 31 December 2022</b>	<u>561,182</u>	<u>1,413</u>	<u>562,595</u>
At 31 December 2021	<u>561,182</u>	<u>1,938</u>	<u>563,120</u>

### Carrying amount of goodwill allocated to each of the CGUs

Goodwill acquired through business combinations is allocated to the following CGUs, which are operating and reportable segments, for impairment testing;

	2022 ₦000	2021 ₦000
Facilities management	67,342	107,770
Project development	89,789	114,381
Business development	375,992	327,045
Others	28,059	11,986
	<u>561,182</u>	<u>561,182</u>

Transactions outside the three revenue stream, such as agency services are treated as others.

### Facilities management CGU

The recoverable amount of the facilities management CGU is N2.5 billion as at 31 December 2022 (2021: N9.143 billion). It has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 21%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 15% for the years 2023 – 2027 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use is higher than the carrying value of the CGU. As a result, management has concluded that there was no impairment as at 31

December 2022 (2021: Impairment loss is Nil). A rise in the pre-tax discount rate to 25% in the Facilities Management would result in impairment.

### **Project development CGU**

The recoverable amount of the project development CGU is N3.5 billion as at 31 December 2022 (2021: N9.606 billion). It has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 21%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 15% for the years 2023 – 2027 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use is higher than the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment as at 31 December 2022 (2021: Impairment loss is Nil). A rise in the pre-tax discount rate to 25% in the Project Development would result in impairment.

### **Business development CGU**

The recoverable amount of the business development CGU is N14.1 billion as at 31 December 2022 (2021: N22.973 billion). It has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 21%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 15% for the years 2023 – 2027 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use is higher than the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment as at 31 December 2022 (2021: Impairment loss is Nil). A rise in the pre-tax discount rate to 25% in the Business Development would result in impairment.

### **Others CGU**

The recoverable amount of the other CGU is N1.1 billion as at 31 December 2022 (2021: N2.417 billion). It has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increase demand for services. The pre-tax discount rate applied to cash flow projections is 21%. The discount rate was estimated based on industry weighted average cost of capital which considers projected growth rate in revenue and cost as derived from Nigerian real estate guide, Afriland specific investment evaluation policy and dividend growth rate. The revenue growth rate used in the cash flow projection was 15% for the years 2023 – 2027 and is based on the trend of foreseeable growth in the business segment. It was concluded that the value in use is higher than the carrying value of the CGU. As a result of this analysis, management has concluded that there was no impairment as at 31 December 2022 (2021: Impairment loss is Nil). A rise in the pre-tax discount rate to 25% in the Other CGU would result in impairment.

## 16 Intangible assets - Continued

### Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for facilities management, project development, business development and other units is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

**Gross margins** - Gross margins are based on average values achieved in the two years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements. An increase of 25% per annum was applied for all the CGUs. Decreased demand can lead to a decline in the gross margin. A decrease in the gross margin would result in impairment in the business development, project development, other and facility management segments.

**Discount rates** - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

The WACC takes into account equity. The cost of equity is derived from the expected return on investment by the Company's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in the pre-tax discount rate would result in impairment in the business development, project development, other and facility management segments.

**Growth rate estimates** - Rates are based on published industry research. Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts but could yield a reasonably possible alternative to the estimated long-term growth rate of 10% for all the units. A reduction in the long-term growth rate would result in impairment in the business development, project development, other and facility management segments.

## 17 Equity instrument measured at fair value through other comprehensive income

This represents the Company's investment in equity shares of Transcorp Hotel Plc. The fair value of these quoted equity shares are determined by reference to published price quotations in the Nigerian Stock Exchange.



	2022 R'000	2021 R'000
<b>At 1 January</b>	1,089,450	729,000
Fair value gain for the year	176,175	360,450
<b>At 31 December</b>	<b>1,265,625</b>	<b>1,089,450</b>
<b>18 Prepayments</b>	<b>2022 R'000</b>	<b>2021 R'000</b>
Non-current (Note 18.1)	24,444	20,344
Current (Note 21)	33,717	27,033
<b>Total</b>	<b>58,161</b>	<b>47,377</b>
<b>18.1 Prepayments- non current</b>		
Prepaid employee's car allowance	<b>24,444</b>	<b>20,344</b>
Prepaid employees' car allowance represents employee car allowances to be amortised over the next 2 years.		
At 1 January	47,377	38,819
Addition during the year	281,825	131,971
	329,202	170,790
Charged to profit or loss	(271,041)	(123,413)
At 31 December	<b>58,161</b>	<b>47,377</b>
Current (Note 21)	33,717	27,033
Non- current	24,444	20,344
	<b>58,161</b>	<b>47,377</b>
<b>19 Trade and other Receivables</b>		
Trade receivables*	674,323	983,052
Allowance for receivables (Note 32)	(12,207)	(2,119)
Net trade receivables	662,116	980,933
<b>Other receivables</b>		
Rent receivables (Note 32)	31,898	44,143
Withholding tax receivables	265,677	321,859
Sundry debtors**	305,515	138,655
	<b>1,265,206</b>	<b>1,485,590</b>

\*Trade receivables are non-interest bearing and are typically due within 30 days. The impairment on the receivables as at year-end based on the estimated credit loss with the counter-parties is N12.207 million (2021: N2.119 million).

\*\*Sundry debtors represent amount paid in advance for the mobilisation of development of property and survey plan.

	<b>2022</b>	<b>2021</b>
	<b>₹'000</b>	<b>₹'000</b>
<b>20</b>		
Other assets		
Advance to contractors (Note 20.1)	132,880	25
Loan to staff (Note 20.2)	15,593	27,556
Staff loan impairment	(82)	(386)
	<u><b>148,391</b></u>	<u><b>27,195</b></u>
<b>20.1</b>		
The advance to contractors represents payments made to contractors in respect of various ongoing projects in which the Company is an agent.		
<b>20.2</b>		
Loan to staff are non-derivative financial assets carried at amortised cost which generate a fixed interest income of 5% for the Company.		
	<b>2022</b>	<b>2021</b>
	<b>₹'000</b>	<b>₹'000</b>
<b>21</b>		
<b>Prepayments (current)</b>		
Health insurance	9,410	6,504
Office building insurance	3,997	4,631
Other Prepayments (Note 21.1)	7,608	4,939
Employee car allowance	12,702	10,959
	<u><b>33,717</b></u>	<u><b>27,033</b></u>
<b>21.1</b>		
<b>Other prepayments</b>		
This represents prepaid maintenance expenses that relates to software license fees, computer consumables, office building and fittings insurance.		
<b>22</b>		
<b>Cash and cash equivalents</b>		
Cash at bank	63,518	258,264
Short-term deposits	278,591	1,079,874
	342,109	1,338,138
Impairment of short-term deposit	(689)	(698)
	<u><b>341,420</b></u>	<u><b>1,337,440</b></u>
<b>Movement in impairment of short-term deposit</b>	<b>2022</b>	<b>2021</b>
	<b>₹'000</b>	<b>₹'000</b>
<b>At 1 January</b>	698	397
Recognised in the statement of profit or loss	(9)	301
	<u><b>689</b></u>	<u><b>698</b></u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and short-term deposits as included above.

	2022 N'000	2021 N'000
<b>23 Share Capital and share premium</b>		
<b>23.1 Share Capital</b>		
<i>Issued and fully paid</i>		
1,373,900,000 (2021: 1,373,900,000) ordinary shares of 50k each	<u>686,950</u>	<u>686,950</u>
The ordinary shareholders have the right to one vote and right to dividend		
<b>23.2 Share premium</b>		
Share premium	<u>2,944,271</u>	<u>2,944,271</u>
The share premium amount form part of the non-distributable reserves of the Company which can be used only for the purposes specified under Companies and Allied Matters Act, 2020.		
<b>23.3 Dividend distribution made and proposed</b>		
Cash dividends on ordinary shares declared and paid:		
Final dividend for 2021: 10 kobo per share (2020: 5 kobo per share)	<u>137,390</u>	<u>68,695</u>
<b>24 Trade and other payables</b>		
Trade payables	73,431	262,652
Accruals (Note 24.1)	452,340	405,410
Rentals received on-behalf of third parties	241,334	221,891
Service charge (Note 24.2)	35,715	44,819
Value Added Tax	45,874	54,097
Withholding Tax	103,088	61,915
Other payables (Note 24.3)	44,478	64,595
Project account (Note 24.4)	1,844,663	1,690,051
	<u>2,840,923</u>	<u>2,805,430</u>
<b>24.1 Accruals</b>		
Audit fee	12,900	3,225
Professional and consultancy fee	320,342	320,079
Annual General Meeting (AGM)	66,149	65,149
Other accruals	52,949	16,957
	<u>452,340</u>	<u>405,410</u>

Other accruals represent other committed costs which includes Corporate Social Responsibility and statutory deductions comprising PAYE and Pension.

**24.2 Service charge**

Service charge represents deposits received from customers for the purpose of facility management services provided by the Company on their behalf.

**24.3 Other payables**

Other payables represent staff benefit, regularization of statutory building plan, and installation of marble top and IT equipments by vendors and developers.

**24.4 Project account**

Project account relates to supply and delivery of mantrap doors, note sorting machines, generator sets, tiles, renovation and other construction projects costs.

	<b>2022</b>	<b>2021</b>
	<b>₹'000</b>	<b>₹'000</b>
<b>25 Contract liabilities</b>		
At 1 January	2,793,172	2,960,498
Deferred during the year	293,790	516,626
Released to the statement of profit or loss (Note 6)	<u>(990,943)</u>	<u>(683,952)</u>
At 31 December	<u>2,096,019</u>	<u>2,793,172</u>
Current	<u><b>642,724</b></u>	<u><b>2,787,096</b></u>
Non-current	<u><b>1,453,295</b></u>	<u><b>6,076</b></u>
<b>26 Taxation</b>		
<b>26.1 Income tax payable</b>		
<b>At 1 January</b>	355,975	162,781
Charge for the year (Note 10)	247,821	321,894
Payments during the year	(142,389)	(32,924)
Withholding tax utilized	<u>(183,070)</u>	<u>(95,776)</u>
At 31 December	<u><b>278,337</b></u>	<u><b>355,975</b></u>
<b>26.2 Deferred tax liabilities</b>		
At 1 January	1,326,764	-
Current year tax provision	<u>363,769</u>	<u>1,326,764</u>
At 31 December	<u><b>1,690,533</b></u>	<u><b>1,326,764</b></u>
<b>Deferred tax relating to the following:</b>		
Accelerated depreciation for tax purpose	182,557	179,774
Revaluation of investment properties to fair value	1,845,812	1,687,037
Impairment of financial assets	(3,985)	(960)
Unabsorbed capital allowance	<u>(333,851)</u>	<u>(539,087)</u>
<b>Deferred tax recognised in the statement of financial position</b>	<u><b>1,690,533</b></u>	<u><b>1,326,764</b></u>
<b>27 Interest- bearing loans and borrowings</b>		
Promissory notes	1,135,000	-
Accrued interests on promissory notes	<u>90,082</u>	<u>-</u>
	<u><b>1,225,082</b></u>	<u>-</u>
The Company obtained Promissory notes from Companies in the year at the interest rates ranging between 10.75% to 11.5% for the purpose of funding assets under construction. Their tenors range between 6 - 12 months.		
<b>27.1 Borrowing details</b>		
At 1 January	-	11,018,206
Addition during the year	1,185,000	-
Accrued interest	90,082	78,794
Loan repayment in form of collateralised investment properties (Note 27.1.1)	-	(11,097,000)
Repayment	<u>(50,000)</u>	<u>-</u>
At 31 December	<u><b>1,225,082</b></u>	<u>-</u>

**27.1.1** The Company was able to agree terms with the bank on the outstanding loan by forfeiting its investment properties that served as collateral on the loan. The carrying value of the loan with accrued interest was N10.924 billion and the value of the investment properties forfeited amounted to N11.097 billion, resulting in a loss on forfeiture of N172.474 million. The forfeiture of these properties represents the full and final payment of the outstanding loan.

**28 Related party transactions**

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 party controls both. The definition includes key management personnel of the Company.

Key management personnel constitutes those individuals who have the authority and the responsibility for planning, directing and controlling the activities of Afriland Properties Plc, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprised the key management personnel are the Board of Directors as well as certain key management and officers.

There was no outstanding balance in respect of transactions that have been entered into with related parties as at 31 December 2022 (2021: Nil).

<b>Compensation of the key management personnel</b>	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
<b>Directors fee and other emoluments</b>		
Chairman	3,576	3,554
Other Directors	25,415	19,231
<b>Total</b>	<b>28,991</b>	<b>22,785</b>
<b>Non executive Directors Fee/ emoluments</b>		
Fees	5,862	4,750
Other emoluments	23,129	18,035
	<b>28,991</b>	<b>22,785</b>
	<b>2022</b>	<b>2021</b>
Total number of Directors	Number	Number
	<b>7</b>	<b>8</b>

**29 Information relating to employees**

i. The average number of persons employed full time by the Company during the year, excluding Directors were as follows:

	<b>2022</b>	<b>2021</b>
	Number	Number
Executives	2	2
Project management	19	19
Facilities management and projects	5	4
Technical consultancy	2	2
Business development	4	3
Other business support	8	8
	<b>40</b>	<b>38</b>
	<b>2022</b>	<b>2021</b>
	<b>₦'000</b>	<b>₦'000</b>
Salaries and wages including staff bonuses	533,467	410,044
Contributions to pension scheme	25,244	10,183
	<b>558,711</b>	<b>420,227</b>

In line with Section 238 of CAMA 2020, included in the total salaries and wages above, is the remuneration of Managers in the Company for the year of N223 million (2021 : N153 million)

- ii. Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following range:

		<b>2022</b>	<b>2021</b>
₦	₦	Number	Number
420,001	– 900,000	-	-
900,001	– 3,000,000	1	3
3,000,001	– 4,000,000	5	3
4,000,001	– 6,000,000	7	9
6,000,001	– 8,000,000	5	5
Above 8,000,001		22	18
		<b>40</b>	<b>38</b>

### 30 **Litigation and claims**

There is no contingent liability in respect of a legal action against the Company.

### 31 **Capital commitments**

The Company had no capital commitment as at 31 December 2022 (2021 : Nil).

### 32 **Financial instrument's risk management objectives and policies**

The Company is exposed to market risk (including interest rate risk, price risk and real estate risk), credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. As such, the Company's senior management is supported by the Finance Risk and General Purpose Committee (FRGPC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The FRGPC provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies for risk.

The board of directors reviews and agrees policies for managing each of these risks which are summarized below.

#### **Market risk**

Market risk is the risk that the fair values and/ or cash flows of financial instruments will fluctuate because of changes in market prices thus resulting in loss of earnings and/or capital to the Company. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, fixed deposits and equity instruments at fair value through other comprehensive income.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The day-to-day management of interest rate risk is done by the Finance and Investment department; this is reviewed by the Board's Finance Risk and General Purpose Committee (FRGPC) on a quarterly basis. The Company is not materially exposed to interest rate risk at the end of the reporting period as the borrowings has a fixed interest rate.

#### **Equity price risk**

The Company's listed equity security is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk by placing limits on individual and total equity instruments. The Company's Board of Directors reviews and approves all

equity investment decisions. At the reporting date, the exposure to listed equity securities at fair value was N1.265 million (2021: N1,089 million). A decrease or increase of 5% on the Nigerian Stock Exchange market index could have an impact of approximately N176 million (2021: N360 million) on other comprehensive income.

### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Afriland is exposed to credit risk from its operating activities (primarily trade receivables and lease receivables) and from its financing activities, including deposits with Entity's and financial institutions, and other financial instruments. Credit risk is monitored by the entity's Finance and Investment Department. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties.

Afriland has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Risk ratings are subject to regular revision.

### **Trading relationships**

The Company's trading relationship and counterparties comprise Banks, Oil & Gas, Manufacturing and Individuals. For these relationships, the Company's Finance and Investment department analyses publicly available information such as financial information and other external data, and assigns the internal rating, as shown in the table below.

### **Trade receivables**

Customer credit risk is managed by the Finance and Investment department subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The loss rates are based on days past due for the Companies of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Nigeria Mapping Table					
Global-scale long rating	National scale long term rating	National scale short term rating	Agusto rating	Implied S&P rating class (without modifiers)	Implied S&P rating categories (with modifiers)
BB+ and above	ngAAA	ngA-1	AAA	B	B+
BB	ngAA+	ngA-1	AA	B	B
BB-	ngAA, ngAA-	ngA-1	AA	B	B
B+	ngA+, ngA, ngA-	ngA-1, ngA-2	A	B	B
B	ngBBB+, ngBBB, ngBBB-	ngA-2, ngA-3	BBB	B	B-
B-	ngBB+, ngBB	ngB	BB	B	B-
CCC+	ngBB-, ngB+	ngB	B	CCC	CCC+
CCC	ngB, ngB-, ngCCC+	ngC	B	CCC	CCC
CCC-	ngCCC, ngCCC-	ngC	CCC	CCC	CCC-
CC	ngCC	ngC	CC	CC	CC
C	ngC	ngC	C	C	C
R	R	R	D	D	D
SD	SD	SD	D	D	D
D	D	D	D	D	D

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

AFRILAND	Current	1-30 days	31-60	61-90	91-120	121-150	151-365	Total
	days	days	days	days	days	days		
<b>31-Dec-22</b>	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Expected credit loss rate</b>	2.84%	0.34%	0.57%	1.38%	2.05%	5.64%	0.66%	
Estimated total gross carrying amount at default	23,293	60,913	22,265	105,488	137,757	57,487	560,433	674,323
Expected credit loss	662	206	126	1,451	2,819	3,242	3,701	12,207
<b>31-Dec-21</b>								
<b>Expected credit loss rate</b>	0.09%	0.09%	1.75%	93.21%	100.00%	100.00%	100.00%	
Estimated total gross carrying amount at default	910,438	70,146	1,202	1,266	-	-	-	983,052
Expected credit loss	852	66	21	1,180	-	-	-	2,119

Set out below is the movement in the allowance for expected credit losses of trade receivables:

In thousands of Naira	2022	2021
	₦'000	₦'000
At 1 January	2,119	2,596
Charge/ (write back) of expected credit loss	10,088	(477)
<b>At 31 December</b>	<b>12,207</b>	<b>2,119</b>



### Credit risk - Continued

Set out below is the information about the credit risk exposure on the Company's rent receivables using a provision matrix:

AFRILAND	Current	1-30	31-60	61-90	91-120	121-150	151-365	Total
		days	days	days	days	days	days	
<b>31-Dec-22</b>	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Expected credit loss rate</b>	0.00%	0.16%	0.08%	0.12%	0.16%	0.28%	3.30%	
Estimated total gross carrying amount at default	0	2,500	2,500	5,000	2,500	2,500	17,500	32,500
Expected credit loss	0	4	2	6	4	7	578	602
<b>31-Dec-21</b>								
<b>Expected credit loss rate</b>	0.06%	0.06%	0.06%	0.07%	0.06%	0.06%	0.06%	
Estimated total gross carrying amount at default	3,527	3,527	3,527	2,789	3,500	3,500	23,796	44,169
Expected credit loss	2	2	2	2	2	2	14	26

	2022	2021
	₦'000	₦'000
Rent receivables	32,500	44,169
Impairment allowance	(602)	(26)
<b>At 31 December</b>	<b>31,898</b>	<b>44,143</b>

Set out below is the movement in the allowance for expected credit losses of rent receivables:

In thousands of Naira	2022	2021
	₦'000	₦'000
At 1 January	26	504
Charge/ (write back) of expected credit loss	576	(478)
<b>At 31 December</b>	<b>602</b>	<b>26</b>

### Expected credit loss measurement - other receivables

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

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

The ECL is determined by projecting the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc.

– are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Analysis of inputs to the ECL model under multiple economic scenarios**

An overview of the approach to estimating ECLs is set out in Note 3.16 Summary of significant accounting policies and in Note 2.6 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within the Finance department verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2022 and 31 December 2021.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for “Subsequent years” represent a long-term average and so are the same for each scenario.

<b>Key drivers</b>	<b>ECL</b>						
<b>31 December 2022</b>	Scenario	2022	2023	2024	2025	2026	Subsequent years
<b>GDP growth</b>							
	Upturn	0.35	0.38	0.36	0.35	0.35	0.41
	Base	0.16	0.14	0.16	0.15	0.15	0.15
	Downturn	0.05	0.02	0.04	0.05	0.05	(0.01)
<b>Oil Price %</b>							
	Upturn	25.00	65.00	68.00	56.00	56.00	71.00
	Base	59.09	54.00	56.00	61.00	61.00	57.00
	Downturn	15.91	35.00	32.00	34.00	34.00	29.00
<b>Exchange rate \$/N</b>							
	Upturn	88.00	165.00	160.00	167.00	167.00	155.00
	Base	132.00	230.95	242.49	245.49	245.49	254.62
	Downturn	172.00	237.02	248.87	229.87	229.87	261.32
<b>Inflation rate %</b>							
	Upturn	20.00	20.00	18.00	21.00	21.00	16.00
	Base	55.00	34.00	35.00	36.00	36.00	36.00
	Downturn	25.00	40.00	42.00	44.00	44.00	44.00
<b>31 December 2021</b>							
	<b>ECL</b>						
	Scenario	2022	2023	2024	2025	2026	Subsequent years
<b>GDP growth</b>							
	Upturn	0.35	0.38	0.36	0.35	0.35	0.41
	Base	0.16	0.14	0.16	0.15	0.15	0.15
	Downturn	0.05	0.02	0.04	0.05	0.05	(0.01)
<b>Oil Price %</b>							
	Upturn	22.00	65.00	68.00	56.00	56.00	71.00
	Base	78.00	54.00	56.00	61.00	61.00	57.00
	Downturn	27.00	35.00	32.00	34.00	34.00	29.00
<b>Exchange rate \$/N</b>							
	Upturn	88.00	165.00	160.00	167.00	167.00	155.00
	Base	132.00	230.95	242.49	245.49	245.49	254.62
	Downturn	172.00	237.02	248.87	229.87	229.87	261.32
<b>Inflation rate %</b>							
	Upturn	18.00	20.00	18.00	21.00	21.00	16.00
	Base	72.00	34.00	35.00	36.00	36.00	36.00
	Downturn	43.00	40.00	42.00	44.00	44.00	44.00

**31 December 2022**
**Cash and bank balances**

	<b>₹'000</b>
Upturn (11%)	74
Base (80%)	551
Downturn (9%)	65
<b>Total</b>	<b><u>689</u></b>

**31 December 2021**
**Cash and bank balances**

	<b>₹'000</b>
Upturn (8%)	56
Base (82%)	572
Downturn (10%)	70
<b>Total</b>	<b><u>698</u></b>

**Impairment allowance for financial assets under general approach**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's external credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances as set out in below:

	<b>2022</b>	<b>2021</b>
External grading system	<b>Stage 1</b>	<b>Stage 1</b>
	<b>₹'000</b>	<b>₹'000</b>
Standard grade	<u>15,593</u>	<u>27,556</u>
Short term deposits	<b>2022</b>	<b>2021</b>
External grading system	<b>Stage 1</b>	<b>Total</b>
	<b>₹'000</b>	<b>₹'000</b>
Standard grade	<u>297,575</u>	<u>322,524</u>

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Company overdrafts and Company loans. The Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 100% of the Company's debt will mature in less than one year from 31 December 2022 (2021:66%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

This table shows the gross carrying amount of the ECL charge on the staff loan

	<b>Staff loan</b>
<b>Expected credit loss</b>	<b>₹'000</b>
1 January 2021	174
Expected credit write back	<u>212</u>
31 December 2021	386
Expected credit loss	<u>(304)</u>
31 December 2022	<b><u>82</u></b>

### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

The table below shows the ECL charges / (write back) on financial instruments for the year:

2022	Stage 1 Collective R'000	Simplified model Collective R'000	Total R'000
Debt instruments measured at amortised cost - Staff loans (Note 20)	(304)	-	(304)
Debt instruments measured at amortised cost - Short term deposits (Note 22)	(9)	-	(9)
Debt instruments measured - Trade receivables (Note 32)	-	10,088	10,088
Rent receivables (Note 32)	-	576	576
	<b>(313)</b>	<b>10,664</b>	<b>10,351</b>
<b>2021</b>	<b>Stage 1 Collective R'000</b>	<b>Simplified model Collective R'000</b>	<b>Total R'000</b>
Debt instruments measured at amortised cost - Staff loans (Note 20)	212	-	212
Debt instruments measured at amortised cost - Short term deposits (Note 22)	301	-	301
Debt instruments measured - Trade receivables (Note 32)	-	(477)	(477)
Rent receivables (Note 32)	-	(478)	(478)
	<b>513</b>	<b>(955)</b>	<b>(442)</b>

### Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to efficiently meet both expected and unexpected current and future cash flow as they fall due. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and possibly loans in the future.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

<b>Financial liabilities</b>		<b>Contractual cash flows</b>				
<b>At 31 December 2022</b>	<b>Carrying amount</b>	<b>Total</b>	<b>On demand</b>	<b>Between 2 months and 1 year</b>	<b>Between 1 and 5 years</b>	
Trade payables	73,431	73,431	73,431	-	-	
Rentals received for third parties	241,334	241,334	241,334	-	-	
Service charge payable	35,715	35,715	35,715	-	-	
Accruals and other payables	2,341,481	2,341,481	2,268,050	73,431	-	
Interest-bearing loans and borrowings	1,225,082	1,225,082	-	1,225,082	-	
<b>Financial liabilities</b>		<b>Contractual cash flows</b>				
<b>At 31 December 2021</b>	<b>Carrying amount</b>	<b>Total</b>	<b>On demand</b>	<b>Between 2 months and 1 year</b>	<b>Between 1 and 5 years</b>	
Trade payables	262,652	262,652	262,652	-	-	
Rentals received for third parties	221,891	221,891	221,891	-	-	
Service charge payable	44,819	44,819	44,819	-	-	
Accruals and other payables	2,160,056	2,160,056	1,897,404	262,652	-	
Interest-bearing loans and borrowings	-	-	-	-	-	

### 33 Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried at fair value in the financial statements.

#### At 31 December 2022

	Carrying amount ₹'000	Fair value ₹'000
<b>Financial assets</b>		
Equity instrument measured at fair value through OCI	1,265,625	1,265,625
<b>Financial liabilities</b>		
Interest-bearing loans and borrowings	1,225,082	1,225,082

#### At 31 December 2021

	Carrying amount ₹'000	Fair value ₹'000
<b>Financial assets</b>		
Equity instrument measured at fair value through OCI	1,089,450	1,089,450
<b>Financial liabilities</b>		
Interest-bearing loans and borrowings	—	—

The management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Company's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

#### Fair value hierarchy

Fair value measurement hierarchy for assets and liabilities as at 31 December 2021:

As at 31 December 2022	Total ₹'000	Quoted price in active markets (level 1) ₹'000	Significant observable inputs (level 2) ₹'000	Significant unobservable inputs (level 3) ₹'000
<b>Assets measured at fair value</b>				
Investment properties	12,411,107	-	-	12,411,107
Equity instrument measured at fair value through OCI	1,265,625	1,265,625	-	-

As at 31 December 2021	Total ₹'000	Quoted price in active markets (level 1) ₹'000	Significant observable inputs (level 2) ₹'000	Significant unobservable inputs (level 3) ₹'000
<b>Assets measured at fair value</b>				
Investment properties	12,196,578	-	-	12,196,578
Equity instrument measured at fair value through OCI	1,089,450	1,089,450	-	-

There have been no transfers between the levels during the year ended 31 December 2022 (2021: Nil). The fair values of the equity instrument through other comprehensive income are derived from quoted market prices in active markets.

The valuation techniques used and key inputs to valuation of investment properties have been disclosed on Note 13. The valuation techniques used and key inputs used to calculate the fair value on interest-bearing loans and borrowings have been disclosed on Note 27.

Significant increases (decreases) in estimated rental value (ERV) and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the property. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the ERV is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

A quantitative sensitivity analysis is, as shown below:

	Sensitivity used	Effect on fair value	
		Completed investment property	Investment property under development
2022		₦'000	₦'000
Increase in ERV	20%	86,178	-
Rental growth per annum	7%	61,556	-
Increase in long term vacancy rate	5%	(446)	-
Increase in discount rate/yield	0.3bps	(37,908)	(1,125)
Increase in construction cost	N100 per sqm	-	(490)
Increase in construction period	2 month	-	(38)
Market required development profit	21%	-	(4,800)

	Sensitivity used	Effect on fair value	
		Completed investment property	Investment property under development
2021		₦'000	₦'000
Increase in ERV	14%	95,753	-
Rental growth per annum	5%	34,198	-
Increase in long term vacancy rate	3%	(405)	-
Increase in discount rate/yield	0.25bps	(21,060)	(900)
Increase in construction cost	N100 per sqm	-	(98)
Increase in construction period	1 month	-	(10)
Market required development profit	10%	-	(2,000)



### 34 Capital management

There is a risk that the Company may not have adequate capital in relation to its risk profile and/or to absorb losses when they arise. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

As at the year ended 31 December 2022, the Company had no financial covenants attached to interest bearing loans and borrowings as full repayment was made on all outstanding loans. The policies for managing capital are to increase shareholders' value by maximizing profits and cash. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's net debt is determined by adding interest bearing loans and borrowings (if applicable), trade and other payables, less cash and short-term deposits.

	2022	2021
	#'000	#'000
Interest-bearing loans and borrowings (Note 27)	1,225,082	-
Trade and other payables (Note 24)	2,840,923	2,805,430
Less: cash and short-term deposits (Note 22)	<u>(341,420)</u>	<u>(1,337,440)</u>
Net debt	<u>3,724,585</u>	<u>1,467,990</u>
Total equity	<u>11,244,435</u>	<u>10,019,489</u>
<b>Capital and net debt</b>	<b><u>14,969,020</u></b>	<b><u>11,487,479</u></b>
Net Debt to equity (%)	24.88%	12.78%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021

### 35 Segment information

The Chief Operating Decision-Maker (CODM) has been identified as the Board of Directors of Afriland Properties Plc. The Board reviews the Company's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. The Board considers the business from an industry perspective and has identified four (4) operating segments.

#### i. Business development

The business development segment focuses on the management of the Company's existing and new property portfolio with the aim of generating regular rental income and optimizing the values of these properties in order to maximize their rental potentials. The segment is equally involved in the acquisition and sales of high quality commercial and residential properties.

#### ii. Project development

The project development segment performs design and development management services for the Company's clients. These services includes: development of project briefs, preparation of outline business case (OBC), management of procurement process, appointment of consultants and construction firms, contract negotiation and administration, project monitoring and project delivery.

#### iii. Facility management

Facility management is involved in planned preventive maintenance and property life cycle maintenance. This involves general building maintenance, utilities management, building upgrades and renovations, space planning and furniture fit out.

#### iv. Other

Other operating segment consists of revenue from

- Advisory services on property portfolio management
- Agency services
- Sales of tiles and other materials

The board monitors the performance based on operating profits for each operating segment. All the information provided to the Board, for each operating segment, is measured in a manner that is consistent with that of the financial statements. Other administrative cost is allocated across the operating segments on the basis of the revenue generated by each segment.

	Facilities Management		Project Development		Business Development		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Income:</b>										
<b>₹'000</b>										
Revenue	47,501	47,800	224,071	93,852	8,054	342,117	570,157	459,157	849,783	942,926
Rental income	39,638	27,358	495,472	341,976	406,287	280,420	49,547	34,198	990,943	683,952
Other operating income	16,542	12,018	206,773	150,223	169,553	123,182	20,677	15,022	413,545	300,445
Profit on disposal of investment properties	30	471	369	5,890	302	4,830	37	589	738	11,780
Profit on disposal of inventory properties	1,998	-	24,979	-	20,482	-	2,498	-	49,957	
Valuation gains from investment properties	27,196	28,854	339,954	360,677	278,762	295,754	33,995	36,068	679,907	721,353
Finance Income	3,460	2,361	43,249	29,508	35,464	24,196	4,325	2,950	86,497	59,015
<b>Total income</b>	<b>136,364</b>	<b>118,862</b>	<b>1,334,864</b>	<b>982,126</b>	<b>918,904</b>	<b>1,070,499</b>	<b>681,236</b>	<b>547,984</b>	<b>3,071,370</b>	<b>2,719,471</b>
Administrative expenses	(50,945)	(40,165)	(636,810)	(502,066)	(522,184)	(411,646)	(63,681)	(50,207)	(1,273,619)	(1,004,084)
Finance cost		(4,459)	-	(55,731)	-	(45,700)	-	(5,573)	-	(111,462)
<b>Total expenses</b>	<b>(50,945)</b>	<b>(44,624)</b>	<b>(636,810)</b>	<b>(557,797)</b>	<b>(522,184)</b>	<b>(457,346)</b>	<b>(63,681)</b>	<b>(55,780)</b>	<b>(1,273,619)</b>	<b>(1,115,546)</b>
<b>Profit before taxation</b>	<b>71,910</b>	<b>64,155</b>	<b>898,875</b>	<b>801,939</b>	<b>737,078</b>	<b>657,590</b>	<b>89,888</b>	<b>80,194</b>	<b>1,797,751</b>	<b>1,603,925</b>
Income tax expenses	(24,464)	(65,944)	(305,795)	(824,306)	(250,752)	(675,978)	(30,580)	(82,431)	(611,590)	(1,648,658)
<b>Profit/ (loss) after taxation</b>	<b>47,446</b>	<b>(1,789)</b>	<b>593,080</b>	<b>(22,367)</b>	<b>486,326</b>	<b>(18,388)</b>	<b>59,308</b>	<b>(2,237)</b>	<b>1,186,161</b>	<b>(44,733)</b>
	Facilities Management		Project Development		Business Development		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Income:</b>										
<b>₹'000</b>										
<b>Assets and liabilities:</b>										
Non-current	573,307	557,840	7,166,340	6,972,998	5,876,399	5,717,858	716,634	697,300	14,332,681	13,945,996
Current	201,706	134,193	2,521,324	1,677,417	2,067,486	1,375,482	252,132	167,742	5,042,648	3,354,834
<b>Total assets</b>	<b>775,013</b>	<b>692,033</b>	<b>9,687,664</b>	<b>8,650,415</b>	<b>7,943,885</b>	<b>7,093,340</b>	<b>968,766</b>	<b>865,042</b>	<b>19,375,329</b>	<b>17,300,830</b>
<b>Total liabilities</b>	<b>325,236</b>	<b>291,253</b>	<b>4,065,447</b>	<b>3,640,670</b>	<b>3,333,667</b>	<b>2,985,350</b>	<b>406,545</b>	<b>364,068</b>	<b>8,130,894</b>	<b>7,281,341</b>
<b>Net assets</b>	<b>449,777</b>	<b>400,780</b>	<b>5,622,217</b>	<b>5,009,745</b>	<b>4,610,218</b>	<b>4,107,990</b>	<b>562,222</b>	<b>500,974</b>	<b>11,244,435</b>	<b>10,019,489</b>

	2022 ₦'000	2021 ₦'000
<b>Profit or loss</b>		
Profit before taxation for reportable segments	1,797,751	1,603,925
Elimination of inter-segment profit or loss	-	-
<b>Total Company profit or loss</b>	<b>1,797,751</b>	<b>1,603,925</b>
<b>Assets</b>		
Total assets of reportable segment	19,375,329	17,300,830
Elimination of inter-segment assets	-	-
<b>Total Company assets</b>	<b>19,375,329</b>	<b>17,300,830</b>
<b>Liabilities</b>		
Total liabilities of reportable segment	8,130,894	7,281,341
Elimination of inter-segment liabilities	-	-
<b>Total Company liabilities</b>	<b>8,130,894</b>	<b>7,281,341</b>

The Afriland's business activities are concentrated in one geographic region. The primary format for segment reporting is based on operating segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### Revenue from external customers in Nigeria

	2022 N'000	2021 N'000
Revenue	<b>1,891,421</b>	<b>1,638,658</b>

The Company does not have any major customer that amount to 10% or more of the revenue.

<b>Non-current operating assets in Nigeria</b>	<b>14,332,681</b>	<b>13,945,996</b>
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Non-current assets for this purpose consist of property, plant and equipment, investment properties, intangible assets, equity instrument at fair value through other comprehensive income and prepayments.

#### 36 Events after the reporting date

There are no significant events after the reporting date which could have a material effect on the state of affairs of the Company as at 31 December 2022 that have not been adequately provided for or disclosed in the financial statements.

#### 37 Comparative figures

Certain reclassifications were made to the reported figures in the prior year in order to conform to this year's presentation.

#### 38 Commitments and contingencies

There are no known contingencies as at 31 December 2022 (2021: Nil). The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of the financial statements.

	2022		2021	
	₦'000	%	₦'000	%
Revenue	1,891,421		1,638,658	
Bought in goods and services - local	(656,512)		(637,399)	
	<b>1,234,909</b>		<b>1,001,259</b>	
Other Operating Income	413,545		300,445	
Finance Income	86,497		59,015	
Valuation gains from investment properties	679,907		721,353	
<b>Value Added</b>	<b>2,414,858</b>		<b>2,082,072</b>	
APPLIED AS FOLLOWS:				
Employee:				
As salaries and labour related expenses	558,711	23%	420,227	20%
Government:				
As Company taxes	247,821	10%	321,894	15%
Retained for Growth & Expansion:				
For assets replacement (depreciation, amortization and Right-of-Use Asset)	58,396	2%	57,920	3%
Deferred taxation	363,769	15%	1,326,764	64%
For expansion - retained profit/ (loss)	1,186,161	49%	(44,733)	-2%
<b>Value Added</b>	<b>2,414,858</b>	100%	<b>2,082,072</b>	100%

The value added represents the wealth created through the use of the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, government and that retained for future creation of wealth.

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
<b>Statement of Financial Position</b>					
<b>Assets and liabilities</b>					
Property, plant and equipment	68,235	74,929	128,340	430,713	454,743
Investment properties	12,411,107	12,196,578	22,426,720	11,667,000	10,451,015
Right-of-use asset	675	1,575	2,475	3,375	-
Goodwill and other intangible assets	562,595	563,120	563,009	563,887	566,388
Equity instrument at fair value through OCI	1,265,625	1,089,450	729,000	735,000	915,000
Prepayment (non-current)	24,444	20,344	3,063	11,585	20,808
<b>Net current assets/ (liabilities)</b>	<b>55,582</b>	<b>(2,593,667)</b>	<b>(6,155,376)</b>	<b>4,272,482</b>	<b>5,057,001</b>
Deferred income (non-current)	-	-	-	-	-
Contract liabilities	(1,453,295)	(6,076)	(13,734)	(13,734)	-
Deferred tax liabilities	(1,690,533)	(1,326,764)	-	(1,169,402)	(727,570)
Interest-bearing loans and borrowings (non-current)	-	-	(7,911,030)	(8,453,304)	(9,184,913)
	<b>11,244,435</b>	<b>10,019,489</b>	<b>9,772,467</b>	<b>8,047,602</b>	<b>7,552,472</b>
<b>Shareholders' fund</b>					
Issued Share capital	686,950	686,950	686,950	686,950	686,950
Share premium	2,944,271	2,944,271	2,944,271	2,944,271	2,944,271
Fair value reserve of financial assets through OCI	321,225	145,050	(215,400)	(12,000)	168,000
Retained earnings	7,291,989	6,243,218	6,356,646	4,428,381	3,753,251
	<b>11,244,435</b>	<b>10,019,489</b>	<b>9,772,467</b>	<b>8,047,602</b>	<b>7,552,472</b>
<b>Statement of Profit or Loss:</b>					
Revenue	1,891,421	1,638,658	1,422,433	1,479,162	1,475,069
Profit before taxation	1,797,751	1,603,925	1,009,285	1,339,237	915,462
Income tax (expense)/ credit	(611,590)	(1,648,658)	1,056,370	(595,187)	(233,014)
Profit/ (loss) after taxation	<b>1,186,161</b>	<b>(44,733)</b>	<b>2,065,655</b>	<b>744,050</b>	<b>682,448</b>
Basic earnings/ (loss) per share (₦)	0.86	(0.03)	1.50	0.54	0.50
Diluted earnings/(loss) per share (₦)	0.86	(0.03)	1.50	0.54	0.50



Creating Real Value in  
**Property  
& Places**

Optimize your  
**Real Estate Assets**  
with our Facility  
Management Services.

**OUR OFFERINGS**

Total & Integrated Facility Management Services |  
On--Site Facilities management

**Our Services**

Janitorial Services | Fumigation  
Services | Gardening Services |  
Swimming Pool Maintenance | Facade  
Cleaning Services | Sewage Treatment  
Maintenance | Water Treatment  
Maintenance | Lift Maintenance |  
Generator Maintenance | Pest &  
Rodent Control Plumbing System |  
Electrical System | HVAC



**Contact us:**

0916 607 3000, 0916 607 4000

 afrilandpropertiesplc  afrilandProperties  AfrilandPlc

 [www.afrilandproperties.com](http://www.afrilandproperties.com)









# NOTICE OF ANNUAL GENERAL



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 10<sup>th</sup> Annual General Meeting (“AGM”) of Afriland Properties Plc (the “Company”) will hold on Monday, 17<sup>th</sup> April 2023, at Transcorp Hilton Hotel, 1, Aguiyi Ironsi Street, Maitama, Abuja FCT, Nigeria at 10:00 am to transact the following businesses:

## **ORDINARY BUSINESS:**

1. To lay before the members, the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> December 2022, together with the Reports of the Directors, External Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To approve the appointment of Mrs. Owen Omogiafo as a Non-Executive Director.
4. To re-elect the following Directors retiring by rotation:
  - 4.1. Mr. Emmanuel Nnorom
  - 4.2. Mr. Obong Idiong
5. To appoint Deloitte Nigeria as the new External Auditors of the Company.
6. To authorize the Directors to fix the remuneration of the External Auditors for the 2023 financial year.
7. To disclose the remuneration of Managers of the Company.
8. To elect members of the Statutory Audit Committee.

## **SPECIAL BUSINESS:**

9. To consider and if thought fit, to pass the following as ordinary resolution:

That the remuneration of the Non-Executive Directors be and is hereby fixed at the sum of N73,800,000.00 (Seventy-Three Million, Eight Hundred Thousand Naira) for the year ending December 31, 2023. Such payment is to be effective from January 1, 2023.
10. To consider and if thought fit, to pass the following as a special resolution:
  - 10.1. That pursuant to Part 1 Section 11 of the Schedule to the Business Facilitation (Miscellaneous Provisions) Act 2022, Article 7 of the Company's Articles of Association be amended by the insertion of Article 7(a) to provide as follows:

The Company's Annual General Meeting (AGM) may hold either physically or electronically, provided that the AGM is held in compliance with the Company's Article of Association.
  - 10.2. That the Company's Memorandum and Articles of Association should reflect the changes authorized by the foregoing resolution.
  - 10.3. That the Directors are hereby authorized to take, or cause to be taken, all actions necessary to effect the amendment including without limitation, the preparation, execution, and filing of all necessary notifications with the Corporate Affairs Commission and all other relevant regulatory authorities.
11. To consider and if thought fit to pass the following as ordinary resolutions:
  - 11.1. That the Company be and is hereby authorized to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganization, reconstruction and such other business arrangement exercise or actions.

- 11.2. That subject to regulatory approval (where necessary), the Directors, be and are hereby authorized to take all steps and do all acts that they deem necessary in furtherance of the above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate.

Dated this 23<sup>rd</sup> day of March 2023.

**BY ORDER OF THE BOARD**



**OMOMENE OBANOR**

Company Secretary

FRC/2022/PRO/NBA/002/057966

**1. PROXY**

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited either at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos or via email at [cxc@africaprudential.com](mailto:cxc@africaprudential.com) not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from the Company's website at .

**2. DIVIDEND**

If the dividend recommended by the Directors is approved by the shareholders at the AGM, the dividend will be paid on Tuesday, 18<sup>th</sup> April 2023, to the shareholders whose names appear in the Company's Register of Members at the close of business on Friday, 31<sup>st</sup> March 2023.

**3. CLOSURE OF REGISTER**

The Register of Members of the Company will be closed from Monday, 3<sup>rd</sup> April 2023 to Friday, 7<sup>th</sup> April 2023 (both dates inclusive) for the purpose of dividend payment and updating the register.

**4. NOMINATION TO THE STATUTORY AUDIT COMMITTEE**

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. Section 404 (5) CAMA 2020 has mandated that all members must be literate and at least one member shall be a member of a professional accounting body in Nigeria established by an Act of the National Assembly. We, therefore, request that nominations be accompanied by a copy of the nominee's curriculum vitae.

**5. E-DIVIDEND REGISTRATION**

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts, and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders to provide particulars of their accounts to the Registrar as soon as possible.

**6. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**

Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrar as unclaimed are still in the custody of the Registrar. Any shareholder affected by this notice is advised to contact the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at [cxc@aficaprudential.com](mailto:cxc@aficaprudential.com) to lay claim. For a list of unclaimed dividends, please see our website at .

**7. PROFILE OF DIRECTORS FOR RE-ELECTION**

The profiles of Mr. Emmanuel Nnorom and Mr. Obong Idiong who will be retiring by rotation, and will be presented for re-election are among the profiles of Directors that are provided in the 2022 Annual Report and on the Company's website at [www.afrilandproperties.com](http://www.afrilandproperties.com).

**8. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE**

In order to improve the delivery of our Annual Report, we have inserted a detachable form in the 2022 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrar for further processing. Additionally, an electronic version of the 2022 Annual Report is available on the Company's website at .

**9. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS**

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company via email to [info@afilandproperties.com](mailto:info@afilandproperties.com) on or before Friday, 14<sup>th</sup> April 2023.



*In real estate,  
your **clients**  
**interest**  
come **first***

**CORPORATE HEAD OFFICE**

 Afriland Towers, 97/105 Broad Street, Lagos Island, Lagos.

 [www.Afrilandproperties.com](http://www.Afrilandproperties.com)  Afrilandproperties@ Afrilandpropertiesplc

 Afrilandproperties  Afrilandpropertiesplc



**TENTH ANNUAL GENERAL MEETING OF AFRILAND PROPERTIES PLC, TO BE HELD ON MONDAY, 17<sup>TH</sup> APRIL 2023, AT TRANSCORP HILTON HOTEL, 1, AGUIYI IRONSI STREET, MAITAMA, ABUJA FCT, AT 10:00 AM.**

I/We \_\_\_\_\_

being a member/ members of AFRILAND PROPERTIES PLC, hereby appoint:

\_\_\_\_\_ or failing him/her, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held on Monday, 17<sup>th</sup> April 2023 at Transcorp Hilton Hotel, Abuja FCT, at 10:00 am. and at any adjournment thereof.

A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. This proxy form has been prepared to enable you to exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it to the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at [cx@afriacaprudential.com](mailto:cx@afriacaprudential.com) not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the Proxy Form must be under its common seal or under the hand of a duly authorized officer or attorney.

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

1.	To receive and consider the Audited Financial Statements of the Company for the year ended 31st December 2022, together with the Reports of the Directors, External Auditors and Audit Committee thereon laid before the members.			
2.	To declare a dividend of 10 kobo per share.			
3.	To approve the appointment of Mrs. Owen Omogiafo as a Non-Executive Director of the Company.			
4.1.	To re-elect Mr. Emmanuel Nnorom, a Director retiring by rotation.			
4.2.	To re-elect Mr. Obong Idiong, a Director retiring by rotation.			
5.	To appoint Deloitte Nigeria as the new External Auditors of the Company.			
6.	To authorize the Directors to fix the remuneration of the External Auditors for the 2023 financial year.			
7.	To disclose the remuneration of Managers of the Company.			
8.	To elect members of the Statutory Audit Committee.			
9.	To consider and if thought fit to pass the following as ordinary resolutions: That the remuneration of the Non-Executive Directors be and is hereby fixed at the sum of N73,800,000.00 (Seventy-Three Million, Eight Hundred Thousand Naira) for the year ending December 31, 2023. Such payment is to be effective from January 1, 2023.			
10.	To consider and if thought fit, to pass the following as a special resolution: 10.1. That pursuant to Part 1 Section 11 of the Schedule to the Business Facilitation (Miscellaneous Provisions) Act 2022, Article 7 of the Company's Articles of Association be amended by the insertion of Article 7 (a) to provide as follows:  The Company's Annual General Meeting (AGM) may hold either physically or electronically provided that the AGM is held in compliance with the Company's Article of Association. 10.2. That the Company's Memorandum and Articles of Association should reflect the changes authorized by the foregoing resolution. 10.3. That the Directors are hereby authorized to take, or cause to be taken, all actions necessary to effect the amendment including without limitation the preparation, execution and filing of all necessary notifications with the Corporate Affairs Commission and all other relevant regulatory authorities.			
11.	To consider and if thought fit to pass the following as ordinary resolution: 11.1. That the Company be and is hereby authorized to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganization, reconstruction and such other business arrangement exercise or actions. 11.2. That subject to regulatory approval (where necessary), the Directors, be and are hereby authorized to take all steps and do all acts that they deem necessary in furtherance of the above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate.			
<i>Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.</i>				

**AFRILAND PROPERTIES PLC**  
Tenth Annual General Meeting

**ADMISSION CARD**

Please admit the Shareholder named on this Card or his duly appointed proxy to the Annual General Meeting of the Company to be held on Monday, 17<sup>th</sup> April 2023, at Transcorp Hilton Hotel, 1, Aguiyi Ironsi Street, Maitama, Abuja FCT at 10:00 am.

This admission card must be produced by the Shareholder in order to gain entrance into the Annual General Meeting.

\_\_\_\_\_  
Name of Shareholder

\_\_\_\_\_  
Address of Shareholder

\_\_\_\_\_  
Number of Shares Held

\_\_\_\_\_  
Signature

# Africa Prudential

RC 649007

Affix  
Recent Passport  
Photograph

**USE GUM ONLY  
NO STAPLE PINS**

(to be stamped by your banker)  
ONLY CLEARING BANKS ARE ACCEPTABLE

### INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below.

### The Registrar

Africa Prudential Plc  
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date:

### SHAREHOLDER ACCOUNT INFORMATION

Gender: Male  Female  Date Of Birth

Surname/Company's Name  First Name  Other Name

Address

City  State  Country

Clearing House Number (CHN) (if any)  Name of Stockbroking Firm

Mobile Telephone 1  Mobile Telephone 2

E-mail Address

### DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:   
Joint/Company's Signatories

Company Seal (if applicable)

**Note:** This service costs **N150.00** per form exclusive of VAT.

**Please tick against the company(ies) where you have shareholdings**

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPP AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
28. NEXANS KABLEMETAL NIG. PLC
29. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EUROBOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:







# Africa Prudential

RC 649007

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

**\* = Compulsory fields**

1. SURNAME/COMPANY NAME:

2. FIRST NAME:

3. OTHER NAME:

4. E-MAIL:

5. ALTERNATE E-MAIL:

6. MOBILE NO.: 1.  2.

7. SEX: MALE  FEMALE  8. DATE OF BIRTH

9. POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.: **C**

11. NAME OF STOCKBROKER:

**DECLARATION**

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:  Signature:  Company Seal (if applicable)

Joint/Company's Signatories

**Please tick against the company(ies) where you have shareholdings**

- 1. ABBEY MORTGAGE BANK PLC
- 2. ADAMAWA STATE GOVERNMENT BOND
- 3. AFRILAND PROPERTIES PLC
- 4. AFRICA PRUDENTIAL PLC
- 5. A & G INSURANCE PLC
- 6. ALUMACO PLC
- 7. A.R.M LIFE PLC
- 8. BECO PETROLEUM PRODUCTS PLC
- 9. BUA GROUP
- 10. BENUE STATE GOVERNMENT BOND
- 11. CAP PLC
- 12. CAPP AND D'ALBERTO PLC
- 13. CEMENT COY. OF NORTHERN NIG. PLC
- 14. CSCS PLC
- 15. CHAMPION BREWERIES PLC
- 16. CWG PLC
- 17. CORDROS MONEY MARKET FUND
- 18. EBONYI STATE GOVERNMENT BOND
- 19. GOLDEN CAPITAL PLC
- 20. INFINITY TRUST MORTGAGE BANK PLC
- 21. INVESTMENT & ALLIED ASSURANCE PLC
- 22. JAIZ BANK PLC
- 23. KADUNA STATE GOVERNMENT BOND
- 24. LAGOS BUILDING INVESTMENT CO. PLC
- 25. GLOBAL SPECTRUM ENERGY SERVICES PLC
- 26. MED-VIEW AIRLINE PLC
- 27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
- 28. NEXANS KABLEMETAL NIG. PLC
- 29. LIVINGTRUST MORTGAGE BANK PLC
- 30. PERSONAL TRUST & SAVINGS LTD
- 31. P.S MANDRIDES PLC
- 32. PORTLAND PAINTS & PRODUCTS NIG. PLC
- 33. PREMIER BREWERIES PLC
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- 54. VFD GROUP PLC
- 55. WEST AFRICAN GLASS IND PLC

OTHERS:



# Africa Prudential

RC 649007

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | \* = COMPULSORY FIELDS

1. \*SURNAME/COMPANY NAME

2. \*FIRST NAME  3. OTHER NAME

4. \*GENDER  M  F 5. E-MAIL

6. ALTERNATE E-MAIL

8. \*MOBILE (1)  (2)  7. \*DATE OF BIRTH

9. \*ADDRESS

10. OLD ADDRESS (if any)

11. \*NATIONALITY  12. \*OCCUPATION

13. \*NEXT OF KIN NAME  MOBILE

14. \*MOTHER'S MAIDEN NAME

15. BANK NAME  16. A/C NO.

17. A/C NAME  18. A/C OPENING DATE

19. BANK VERIFICATION NO. (BVN)  20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN)

## DECLARATION

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55. WEST AFRICAN GLASS IND PLC

OTHERS:





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*with your*  
***real Estate***  
*needs* 

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**CORPORATE HEAD OFFICE**

 Afriland Towers, 97/105 Broad Street, Lagos Island, Lagos.  
 [www.Afrilandproperties.com](http://www.Afrilandproperties.com)  Afrilandproperties  Afrilandpropertiesplc  
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AFRILAND TOWERS

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