BENUE INVESTMENT AND PROPERTY COMPANY LIMITED

FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

MIKE ACHI & CO
CHARTERED ACCOUNTANTS
MAKURDI, NIGERIA

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DIRECTORS' REPORT

The Board of Directors have the pleasure in presenting their report together with the audited financial statement of Benue Investment and Property Company Limited (the Company) for the year ended 31 December 2021.

Principal Activities

The principal activity of the company is Investment in properties, shares and service projects.

Result for the Year

The company's Revenue for the year is ₦400,806,202 and a loss of ₦305,546,526.

Legal form

Benue Investment and Property Company Limited was incorporated on the 18 October 1978 and commenced business in October 1980.

Directors

The names of the directors of the company are:

Names	Designation	Nationality
Hon. Mike Mku	Chairman	Nigeria
Hon. Michael Gusa	Member	Nigeria
Hon. Barr. Merga Kachina	Member	Nigeria
Hon. Daniel Onda	Member	Nigeria
Hon. James Gwabo	Member	Nigeria
Hon. Terna Iorkaan	Member	Nigeria
Hon. Adum Ter Alex, PhD	MD/CEO	Nigeria

Directors Responsibilities

The directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the financial position of the company. In doing so they ensure:

- Adequate internal control procedures are in place to safeguard the assets, prevent and detect frauds and other irregularities.
- Proper accounting records are maintained.
- Applicable accounting standards are followed
- Suitable accounting policies are adopted and consistently applied
- Judgment and estimates made are reasonable and prudent.
- The financial statements are made on the going concern basis.

Managements' interest in share

None of the management staff, who held office, had any direct interest in the issued share capital of the company

Directors' Interest in contract

None of the directors has notified the company for the purpose of section 227 of the Companies and Allied Matters Act, CAP C20, LFN 2004 (as amended) of any disclosable interest in contract with which the company is involved as at 31 December 2021.

Post Statement of Financial Position Events

There is no post statement of financial position events which could have material effect on the state of affairs of the company as at 31 December 2021.

Auditors

Messrs. Mike Achi & Co. (Chartered Accountants) has indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act CAP C20 LFN 2004 (as amended). A resolution will be proposed to authorize their remuneration to be fixed by the Directors.

BY THE ORDER OF THE BOARD

SECRETARY
MAKURDI.

STATEMENT OF DIRECTORS' RESPONSIBILTY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors of Benue investment and property company limited are responsible for the preparation of the financial statements that present fairly the financial position of the company as at 31 December 2021, and the results of the operations, cash flows and changes in equity for the year ended, in compliance with the international financial reporting standard ("IFRS") and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting council of Nigeria Act 2011.

In preparing the financial statements, the directors are responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions other events and conditions on the financial statement;
- Making an assessment of the company's ability to continue as a going concern.

The directors are responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the company
- Maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time, the financial position of the company and which enables them to ensure that the financial statements of the company comply with IFRSs.
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS
- Taking such steps as are reasonably available to them to safeguard the assets of the company
- Preventing and detecting fraud and other irregularities
- The directors have assessed the company's ability to continue as a going concern and have no reason to believe the company will not remain as a going concern in the years ahead.

The financial statements of the company for the year ended 31 December 2021were approved by the Board on ..../..../..... and were signed on its behalf by:

.....
Hon. Mike Mku
(Board Chairman)

.....
Hon. Adum, Ter Alex, PhD
(Managing Director/CEO)

CORPORATE GOVERNANCE REPORT

Code of Corporate Governance

The company has in place a code of corporate Governance, which is modeled after the code of Corporate Governance (CCG) for public companies in Nigeria. The aims of CCG are:

- Define minimum standard of corporate governance expected of Benue Investment and Property Company limited (BIPC).
- Ensure the commitment of the board in managing the company in a transparent manner in order to maximize long term value of the company for its shareholders and other partners.
- Facilitating sound corporate practices and behaviour.
- Improving the information granted to the Board.

The Board and its Composition

The company's Board of Directors Comprises:

- Chairman
- All the Directors

Membership of the board during the year was not less than five and comprises a mixture of executive and non-executive Directors as stipulated in the company's CCG.

Appointment of Board members/Rotation

The membership of the Board of Directors is based on appointment. The shareholders of the company determine the terms of the directors; if no term is expressly stated in the letter of appointment, the directors will be entitled to four years' term; subject to satisfactory performance and the provisions of CAMA all directors of the Company may be eligible for re-appointment or re-elected (whichever is applicable).

Duties and Responsibilities of the Board

The duties and responsibilities of the Board are contained in the company's CCG

Board Meetings

Board meetings are held quarterly, but could meet more often as determine by the Chairman. The meeting is chaired by the board chairman and documented by the company secretary, who also ensure that all minutes of the Board of Directors (BOD) meetings are made available to the directors before the next meeting. A two-third of the Board of Directors must agree/disagree on an issue by voting for/against it before conclusions are made. All pending matters are adjourned to the next board meeting.

Board Committees

There are three board committees namely:

- Risk management Committee
- Audit Committee

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CHARTERED ACCOUNTANTS

J. S. Tarka Foundation,
Opp. IBB Square Makurdi,
Benue State.

maacyes@gmail.com

08065789201, 08080988589

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Benue Investment and Property Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Benue Investment and Property Company Limited which comprise:

- The statements of financial position as at 31 December 2021;
- Statements of profit or loss and other comprehensive income;
- The statements of changes in equity;
- The statements of cash flows for the year then ended; and
- The notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of Financial Statements" section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants and 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 Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors Report, Statement of Directors' Responsibilities for the preparation and approval of the financial statements, Corporate Governance report; but 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 any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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.

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

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effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.

iii. The Company's statement of financial position, statement of profit or loss and other comprehensive income are in agreement with the books of account.



For: Mike Achi & Co (Chartered Accountants)
Makurdi, Nigeria
Engagement Partner – Michael Achi, FCA
FRC/2018/ICAN/000000018824

23 May 2022

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
		₦	₦
Revenue	4	400,806,202	456,884,678
Direct Cost		-	-
Gross profit		400,806,202	456,884,678
Less:			
Operating expenses	5	511,113,134	556,559,306
Depreciation and Amortisation	6	219,285,478	68,980,318
Profit/(loss) from operating activities		(329,592,410)	(168,654,946)
Sales of share (net of tax)	7	24,246,287	105,000,500
Profit/(loss) before taxation		(305,346,123)	(63,654,446)
Provision for Taxation		200,403	125,633
Profit/(Loss) for the year		(305,546,526)	(63,780,079)

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
		₦	₦
Profit/(loss) for the year		(305,546,526)	(63,780,079)
Other comprehensive income, net of tax:			
Profit from Sale of assets		-	-
Items that will not be reclassified to profit or loss:			
Gains/loss on property Revaluation	8	11,215,992,284	-
Items that may not be reclassified subsequently to profit or loss:			
Loss on asset disposal		-	-
Available for sale financial assets		-	-
Total Comprehensive Income		10,910,445,758	(63,780,079)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		2021		2020	
Assets	**Notes**	₦	₦	₦	₦
Non-current assets					
Property, Plant & Equipment	9	9,619,157,488		4,907,070,454	
Intangible assets	10	26,315,087		30,700,936	
Investments	11	6,841,936,872		3,033,138,551	
Subsidiary companies	12	363,305,410		569,271,360	
			16,850,714,857		8,540,181,301
Current assets					
Inventories	13	7,184,151		376,491,655	
Trade and other Receivables	14	227,922,422		489,690,478	
Cash and cash equivalents	15	28,007,672		123,618,236	
			263,114,245		989,800,368
Total asset			17,113,829,102		9,529,481,669
Equity and Liabilities					
Equity					
Ordinary share capital	16	50,000,000		50,000,000	
Revenue Reserve	17	5,291,360,069		5,596,906,595	
Government Grants	18	4,666,770,000		2,445,625,000	
Revaluation surplus reserve	19	6,443,125,083		241,589,346	
Total equity			16,451,255,152		8,334,120,941
Liabilities					
Non-current liabilities					
Long term borrowing	20	90,088,692		99,088,692	
Deferred Tax Liabilities	21	-		635,956,670	
Total Non-current Liabilities		90,088,692		735,045,362	
Current Liabilities					
Trade and other payables	22	210,116,380		87,673,379	
Deferred rental income	23	341,785,714		341,785,714	
Current year tax payable	24	20,583,164		31,356,274	
Total current Liabilities		572,485,258		460,815,367	
Total liabilities			662,573,950		1,195,860,729
Total Equity and Liabilities			17,113,829,102		9,529,481,669

The financial statements were approved and authorised by the Board on ..../..../..... and were signed on its behalf by:

.....	.....	.....
Hon. Mike Mku	Hon. Adum, Ter Alex, PhD	John S. Oko
(Board Chairman)	(Managing Director/CEO)	(Head, finance budget and account)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

2021

	Ordinary share capital ₦	Government grant ₦	Revaluation surplus reserve ₦	Retained Earnings ₦	Total ₦
Balance as at 01/01/2021	50,000,000	2,445,625,000	241,589,346	5,596,906,595	8,334,120,941
Profit/loss for the year	-	-	-	(305,546,526)	-305,546,526
Revaluation surplus	-	-	6,201,535,737	-	6,201,535,737
Govt. grants	-	2,221,145,000	-	-	2,221,145,000
Dividends	-	-	-	-	-
Balance as at 31/12/2021	50,000,000	4,666,770,000	6,443,125,083	5,291,360,069	16,451,255,152

2020

	Ordinary Share capital ₦	Government grant ₦	Revaluation surplus reserve ₦	Retained Earnings ₦	Total ₦
Balance as at 01/01/2020	50,000,000	2,445,625,000	241,589,346	5,630,821,675	8,367,036,021
Profit/loss for the year	-	-		(63,780079)	(63,780079)
Dividends	-	-	-	-	-
Balance as at 31/12/2020	50,000,000	2,445,625,000	241,589,346	5,567,041,597	8,304,255,943

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2021

	2021
Cash flow from operating activities	₦
Operating profit/(loss)	(305,346,123)
Adjust for non cash items:	
Depreciation	219,285,478
Deferred tax no longer required	635,956,670
Adjustment due to revaluation/reclassification	2,461,203,936
Operating profit before working capital changes	3,011,099,961
Other adjustments to reconcile operating profit to cash flow from operating activities:	
(Increase)/decrease in Inventories	369307504
(Increase)/decrease in trade and other receivables	261,768,056
(Increase)/decrease in trade and other payables	122,443,001
Tax paid during the year	(40,000,000)
Net cash generated from operating activities	3,724,618,522
Cash flow from investing activities	
Interest income	-
Dividend Received	-
Additional Investments	(3,808,798,321)
Proceeds from sale of non-current assets	130,000,000
Acquisition of non-current asset	(159,327,052)
Acquisition of Intangible assets	
Other Assets	
Net cash generated from investing activities	(3,838,125,373)
Cash flow from financing activities	
Proceeds from issue of share	24,246,287
Interest expenses	
Payment of long term loan	(9,000,000)
Short term loan	2,650,000
Dividend paid	
Net cash generated from financing activities	17,896,287
Movement in cash and cash equivalent in the year	(95,610,564)
Cash and cash equivalent as at 01 January 2021	123,618,236
Cash and cash equivalent as at 31 December 2021	28,007,672

NOTES TO THE FINANCIAL STATEMENTS

1. The Reporting Entity

Benue Investment and Property Company Limited was incorporated on the 18 October 1979 and commenced in October 1980. The Company was formerly Benue Investment Company Limited and later changed by special Resolution on the 27 May 2002. The main business is investment in properties, share and service project. It's wholly own by the Benue state Government.

2. Statement of compliance

The financial statement have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS") that are effective at 31 December 2021 and requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

3. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

The liability for defined benefit obligations is recognised as the present value of the defined benefit the net total of plan assets, plus unrecognised actuarial gains, less unrecoginsed past service cost and unrecognised obligation less actuarial losses. However, the Company currently operates defined contributory pension plan in line with the provision of the Pension Reform Act 2004 as amended.

The contribution of 10% by the Company and 8% by the staff are based on current salaries and designated allowances. Employees' contributions are funded through payroll deductions, while the Company's contribution is charged to the Statement of Profit or Loss and Other Comprehensive income.

3.1 Functional and presentation currency

These financial statements are prepared in Nigerian Naira, which is the Company's functional currency. Except where indicated, financial information is presented in Naira.

3.2 Use of estimates and judgements

The preparation of the financial statements is in conformity with IFRSs requires management to make estimates and assumptions that affect the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3.3 Financial instruments

3.3.1Recognition and measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value, in the case of all financial assets not carried at fair

NOTES TO THE FINANCIAL STATEMENTS Continued

value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instruments are measured on a trade-date basis.

Financial liabilities and equity instruments, issued by the company, are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial liabilities are derecognised when and only when:

a. The contractual rights to the cash flows from the financial assets expires; or

b. The company transfers the financial assets, including substantially all the risks and rewards of ownership of the assets.

Financial liabilities are derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, canceled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Investments made by the company, which are classified as, either held at fair value through profit or loss or available-for-sale, and are measured at subsequent reporting dates at fair value.

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 of quoted investments and unit trusts in active markets are based on current market prices.

Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments. However, the company does not currently have any financial assets except the debenture which is a financial liability to the company.

3.3.2 Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments:

Disclosure':

- Level 1: quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
- Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.
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NOTES TO THE FINANCIAL STATEMENTS Continued

- Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

3.3.3 **De-recognition of financial instruments**

Financial assets are derecognised when the contractual right to receive cash flows from the investments have expired or on trade-date when they have been transferred and the Company has also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell or re-pledge the assets to a third party, are classified as pledged assets. Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

3.3.4 **Financial assets**

Financial assets are classified into the following categories: financial assets at fair value through profit or loss; loans and receivables, held-to-maturity and available-for-sale financial assets. Management determines the classification of financial assets at initial recognition; this classification depends on the nature and purpose of the financial asset.

i. **Financial assets at fair value through profit or loss**

This category has two components: those held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquire for the purpose of generating a profit from short-term fluctuations in price or dealer's margin, or a security is included in a portfolio in which a pattern of short-term profit taking exists or if so designated by management at inception as held at fair value through profit or loss.

Financial assets designated at fair value through profit or loss at inception is those that are:

Held to maturity liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different bases; or managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel.

The company's investment strategy is to invest in equity and debt securities, and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

ii. **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative

NOTES TO THE FINANCIAL STATEMENTS Continued

amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment of financial assets. The carrying amount represents its fair value.

Loans and advances are stated after deduction of general and specific allowance for debts considered to be doubtful of recovery.

iii. **Available-for-sale**

Available-for-sale instruments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Subsequent to initial recognition, financial assets are classified as available-for-sale are measured at fair value on the statement of financial position.

iv. **Held-to-maturity**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity. Were the group to sell more than an insignificant amount of held-to-maturity investments, the entire category would be tainted and reclassified as available-for-sale assets with the difference between amortised cost and fair value being accounted for in OCI.

Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses.

3.3.5 Financial liabilities

Financial liabilities are recognised initially at fair value, generally being their issue proceeds net of transaction costs incurred.

Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

3.3.6 Gains or losses

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit category are included in profit or loss in the period in which they arise. Gains or losses from changes loss' in the fair value of available-for-sale financial assets are recognised in comprehensive income, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in comprehensive income is recognised in profit or loss.

3.3.7 Effective investment method

The effective investment method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS Continued

3.3.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or, realise the asset and settle the liabilities simultaneously.

3.3.9 Impairment of financial assets

i. Assets carried at amortised cost

At each reporting date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a' loss event') and that loss event (or events) has the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, individually or collectively for financial assets that are not individually.

ii. Assets carried at fair value

At each reporting date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss- is removed from comprehensive income and recognised in profit or loss.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through profit or loss, any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. However, if in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

3.4 Intangible assets

Purchase of computer software

Intangible assets are measured initially at cost and are amortised on a straight-line basis over their useful lives.

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The average amortisation period is as follows:

NOTES TO THE FINANCIAL STATEMENTS Continued

Intangible asset	Useful economic life	Valuation method
Computer software	10 years	Cost model

The residual value of intangible assets is assumed to be zero. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.4 Property, Plant and Equipment

Property, Plant and Equipment and other tangible assets 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 of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual value on a systematic basis over their estimated useful life. The average useful lives are as follows:

		Rate (%)
Leasehold Land and Building	40 years	25
Professional Books	10 years	10
Office Equipment	5 years	20
Furniture, fixtures and fittings	5 years	20
Plant and Machinery	5years	20
Motor vehicles	4years	25

3.5 Share capital

Ordinary shares

Ordinary shares are classified as equity and are recorded at the proceeds received net of incremental external costs directly attributable to the issue.

3.6 Employee benefits

3.6.1 Pension fund obligations

The Company operates a contributory pension scheme in line with the provisions of the Pension Reform Act 2014 (as amended). The contributions of 10% from the Company and 8% from employees are based on the current salaries and designated allowances. Employee contributions are funded through payroll deductions while the Company's contribution is charged to the Income Statement. Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the year to which they relate. The scheme is managed by various Pension Fund Administrators (PFAs) chosen by employees.

NOTES TO THE FINANCIAL STATEMENTS Continued

3.6.2 Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick leave and bonuses are recogised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. Provisions for leave pay and bonuses are recognised as a liability in the financial statements.

3.7 Taxation

3.7.1 Income Tax

The tax expense represents the sum of the current tax payable. The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of Profit or Loss and because it excludes items of income or expense that are taxable or deductible in other years and its further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that for taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3.8 Provisions

Provisions are liabilities of uncertain timing or amount, and are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material. Provisions are recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES TO THE FINANCIAL STATEMENTS Continued

3.9 Revenue recognition

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business net of VAT and other related sales taxes.

3.9.1 Other Income

3.9.2 Investment income

Investment income comprises of realised and unrealised gains on investments, interest income and dividend income. Dividend income is recognised when the right to receive payment is established.

3.9.3 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount. Credits to the Statement of profit or loss are recognised as follows: Interest overdue for more than 90 days is suspended and recognised on cash basis.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term, highly liquid, investments that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the company unless otherwise stated. In the statement of financial position, bank overdrafts are included in current liabilities.

3.11 Leasing

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

3.12 Related Parties Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties include:

a. Entities over which the company exercises significant influence
b. Shareholders and key management personnel of the company
c. Close family members of key management personnel
d. Post-employment benefit plans which is for the benefit of employees of the company or of any entity that is a related party of the company.

Key management personnel comprise the Board of Direct or sand key members of management having authority and responsibility for planning, directing and controlling the activities of the company.

The company has no related parties and therefore no disclosure of such is required.

NOTES TO THE FINANCIAL STATEMENTS Continued

3.13 Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the financial position date.

3.14 Dividends

Dividends on ordinary shares are appropriated from Retained Earnings and recognised as a liability in the year in which they are declared and paid. Dividends are proposed and declared by the shareholders at the Annual General Meeting of the Company.

3.15 Inventories

Inventories of stocks are valued at the lower of cost on a weighted average basis and net realisable value. Any identified impairment is recognised immediately in the Statement of Other Comprehensive Income.

3.16 Borrowing Costs

The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company recognises other borrowing costs as an expense in the period in which it incurs them.

4. Revenue	2021 ₦	2020 ₦
Dividend Received (Net)	296,467,870	406,631,489
Miscellaneous Income	1,988,240	8,838,903
Income from BIPC guest house Kaduna	9,400,000	4,100,000
Income from BIPC guest house North bank	900,000	3,600,000
Rent/lease of Plaza Kaduna	5,464,500	33,714,286
Rent/lease of Plaza Abuja	70,000,000	-
Receipt from North Bank Estate	8,169,128	-
Receipt from Nyiman Estate	5,322,856	-
Trade and Agro Business (Net)	3,093,608	-
	400,806,202	456,884,678

NOTES TO THE FINANCIAL STATEMENTS Continued

	2021	2020
5. Operating Expenses	₦	₦
Administrative expenses	56,515,507	75,504,945
Repairs and maintenance	12,026,350	8,321,148
Legal expenses	8,242,450	6,225,500
Board meeting expenses & allowances	24,522,500	20,231,500
Consultancy and professional services	52,401,651	60,220,250
Transport and travelling	31,541,000	21,465,520
Staff cost -Payroll	231,389,554	245,438,090
Other staff cost	10,662,999	14,114,158
Pension & gratuity	22,819,112	3,730,912
Audit fees	9,500,000	9,500,000
Bank charges/interest on loan	339,011	490,216
Corporate social responsibility	655,000	9,350,380
Management utility	19,413,000	30,829,244
Security expenses	31,085,000	32,000,000
Commission paid	-	1,943,694
Corporate gift	-	8,000,000
Software expenses	-	7,233,750
COVID 19 staff supporting allowance	-	980,000
Burial/death expenses	-	980,000
	511,113,134	556,559,306
6. Depreciation & Amortisation		
Land & non-investment buildings	187,804,700	11,947,727
Investment buildings	-	-
Motor vehicle	12,025,000	30,604,182
Furniture fitting and equipment	10,032,160	13,521,869
Plant and machinery	3,766,000	7,269,215
Professional books	1,271,770	1,251,477
Software amortization	4,385,848	4,385,848
	219,285,478	68,980,318
7. Sales of shares		
Profit from sales of share	24,246,287	105,000,500
8. Revaluation surplus		
Revaluation surplus (note 19)	6,201,535,737	-

NOTES TO THE FINANCIAL STATEMENTS Continued

9. Properties, Plant and Equipment

	Land and non-investment buildings	Land and Investment buildings	Motor Vehicles	Furniture, fittings & equipment	Plant & Machinery	Professional	Total
Cost	₦	₦	₦	₦	₦	₦	₦
Balance 01/01/2020	477,909,075	4,421,979,125	190,596,400	197,475,548	50,107,525	12,607,700	5,350,675,3
Additions	-	-	4,300,000	3,410,250	-	-	7,710,2
Disposals/Transfer	-	-	-	-	-	-	
Balance 31/12/2020	477,909,075	4,421,979,125	194,896,400	200,885,798	50,107,525	12,607,700	5,358,385,6
Balance 01/01/2021	477,909,075	4,421,979,125	194,896,400	200,885,798	50,107,525	12,607,700	5,358,385,62
Revaluation	7,512,188,000	2,042,700,000	48,100,000	50,160,800	18,830,000	12,607,700	9,684,586,50
Additions	-	159,217,052	-	-	-	110,000	159,327,05
Disposals/Transfer	-	-	-	-	-	-	
Balance 31/12/2021	7,512,188,000	2,201,917,052	48,100,000	50,160,800	18,830,000	12,717,700	9,843,913,55
Depreciation							
Balance 01/01/2020	59,522,647	-	105,369,099	172,946,093	40,277,903	8,604,957	386,720,69
Charge for the year	11,947,727	-	30,604,182	13,521,869	7,269,215	1,251,477	64,594,47
Charge on Disposal	-	-	-	-	-	-	
Balance 31/12/2020	71,470,374	-	135,973,281	186,467,962	47,547,118	9,856,434	451,315,169
Balance 01/01/2021	-	-	-	-	-	9,856,434	9,856,434
Charge for the year	187,804,700	-	12,025,000	10,032,160	3,766,000	1,271,770	214,899,630
Charge on Disposal	-	-	-	-	-	-	
Balance 31/12/2021	187,804,700	-	12,025,000	10,032,160	3,766,000	11,128,204	224,756,064
At 31 December 2021	7,324,383,300	2,201,917,052	36,075,000	40,128,640	15,064,000	1,589,496	9,619,157,488
At 31 December 2020	406,438,701	4,421,979,125	58,923,119	14,417,836	2,560,407	2,751,266	4,907,070,454
Revalued amount	7,512,188,000	2,042,700,000	48,100,000	50,160,800	18,830,000	-	9,671,978,800
Carrying amonut before revalution	406,438,701	4,421,979,125	58,923,119	14,417,836	2,560,407	-	4,904,319,188
Revaluation surplus	7,105,749,299	-2,379,279,125	-10,823,119	35,742,964	16,269,593	-	4,767,659,612

NOTES TO THE FINANCIAL STATEMENTS Continued

10. Intangible Assets	Software	Total
Cost	₦	₦
Balance 01/01/2021	43,858,479	43,858,479
Additions	-	-
Disposal/Transfer	-	-
Balance 31/12/2021	43,858,479	43,858,479
Amortisation		
Balance 01/01/2021	13,157,544	13,157,544
Charges for the year	4,385,848	4,385,848
Charges on disposal	-	-
Balance 31/12/2021	17,543,392	17,543,392
Carrying Value		
Balance 31/12/2021	26,315,087	26,315,087
Balance 31/12/2020	30,700,935	30,700,935

	2021	2020
11. Investment	₦	₦
Unquoted shares	290,652,906	144,652,906
Investment in Nyor - Igyungu	-	222,323,900
Investment in Mining	73,864,572	73,036,572
Investment in meat processing	10,325,040	10,325,040
Investment in Mbatiav cement plant	6,875,000	6,875,000
Investment in land (Adaka & others)	517,422,020	517,422,028
Investment in securities – TAK assets	997,035,143	997,035,143
Quoted shares on NSE	6,042,850,422	2,209,813,191
Investment one Plc	-	3,518,860
Investment in M.Buhari way Kaduna	3,357,130	-
Investment in Wireless Access	220,375	-
Investment in land	2,450,000	-
Investment in HUDCO quarters N/Bank	600,000	-
Investment in Commodity Trading	48,148,353	-
	7,993,800,961	4,185,002,640
Less provisions for:		
Bad investment	(10,560,040)	(10,560,040)
Unaccountable investment	(997,035,143)	(997,035,143)
Diminution in the value of shares	(144,268,906)	(144,268,906)
	6,841,936,872	3,033,138,551

NOTES TO THE FINANCIAL STATEMENTS Continued

	2021	2020
	₦	₦
12. Subsidiary companies		
BIPC Micro Finance Bank Ltd	228,223,410	228,223,410
BIPC Oil and gas Ltd	135,082,000	341,047,950
	363,305,410	569,271,360
13. Inventory		
Guest House Kaduna	454,669	-
Guest House N/Bank	147,174	-
Plot No 1802 Mabushi Abuja	-	375,325,465
Inventory commodity trading	6,582,308	1,166,190
	7,184,151	376,491,655
14. Receivables		
Trade receivable – Guest House N/Bank	982,973	-
Trade receivable – Guest House Kaduna	2,060,900	-
Staff debtors main office	-	92,346,091
Staff debtors -Guest House N/Bank	304,185	
BIPC Nyiman estate - debtors	114,271,148	119,594,004
BIPC North bank estate	83,170,015	91,339,143
Trade receivable – commodity trading	71,333	23,093,211
Refund deposit for Mabushi house suspense	-	8,475,000
BAM	-	4,452,543
Loan Granted (LOCIN WANDELENT Ltd)	-	19,800,000
Loan granted to North bank guest house	300,000	2,800,000
Loan granted to BIPC Oiland Gas	400,000	-
Prepaid insurance	-	22,343,015
Prepaid staff furniture	26,361,868	105,447,471
	227,922,422	489,690,478
15. Cash and cash equivalent		
Sterling Bank Plc-0076538309 GH-N/Bank	590,855	-
Cash in hand – main office	-	10,598,894
Cash in hand – guest house Kaduna	352,356	696,517
Cash in hand – guest house N/Bank	16,050	-
Access Bank Plc A/C - 0025457957	21,618	1,602,624
GT Bank Plc A/C - 0027866325	214,445	124,483
Union Bank Plc A/C - 0025370505	20,604	6,017
Heritage Bank A/C – 5100236714	60,152	60,478

NOTES TO THE FINANCIAL STATEMENTS Continued

	2021	2020
	₦	₦
Taj Bank	182,170	-
Access Bank Plc A/C - 0025457964	238,726	1,275,730
FCMB Plc A/C - 1354488015	64,885	3,420,972
Zenith Bank Plc A/C - 1010431479	92,751	376,040
Zenith Bank Plc A/C - 1010849993	80,625	-576,838
Eco Bank Plc A/C - 0412000280	2,151,948	3,340,755
First Bank Plc A/C - 2031513933(NB – GH)	1,073,806	-8,835,333
GT Bank Plc A/C – 0109866081 (KD-GH)	161,089	99,330
Zenith Bank Plc A/C – 1012398048 (KD-GH)	555,090	57,224
Access Bank Plc (KD-GH)	-	10,000
First Bank Plc A/C – 2016273157	82,477	13,884,297
UBA Plc A/C – 1001544380 (commodity Mkt)	77,971	80,174
Sterling Bank Plc-0076008547	21,970,054	97,396,870
	28,007,672	123,618,236
16. Share capital		
50,000,000 ordinary share of ₦1.00 each	50,000,000	50,000,000
17. Revenue Reserves		
Balance b/f	5,596,906,595	5,660,686,673
Profit/(loss) for the year	(305,546,526)	(63,780,079)
	5,291,360,069	5,596,906,595
18. Government grants	4,666,770,000	2,445,625,000
This represent cash and value of assets transferred to the company by the Benue state Government		
19. Revaluation surplus Reserve		
Property Plant and equipment	4,767,659,612	241,589,346
From Government grants (Properties).	1,433,876,125	-
	6,201,535,737	241,589,346
This represent revaluation surplus obtained from the revaluation of the company's property in 2021.		

NOTES TO THE FINANCIAL STATEMENTS Continued

	2021	2020
	₦	₦
20. Long term borrowings		
Federal Mortgage bank of Nigeria	90,088,692	99,088,692
This represents the outstanding balance on the FMBN estate development loan		
21. Deferred tax provision	-	635,956,670
22. Payables		
PAYE and WHT due to BIRS	36,090,199	12,498,058
Leadway pension fund admin ltd	8,480,375	1,362,757
Trust funds Plc pension fund admin	25,769,713	6,373,280
Premium Pension	546,548	-
Stanbic IBTC	2,577,993	-
Investment One Pension	5,596,864	-
ARM Pension	536,371	-
IEI Anchor Pension	694,348	-
Fidelity Pension	336,961	-
First Guarantee Pension	291,560	-
Legacy pension	317,332	-
Veritas Granvills	260,279	-
Crusader Sterling	49,295	-
Kaduna GH.-(VAT, HRET, FIRS etc)	15,504,591	-
N/Bank GH including Salaries	2,288,700	-
NLPC	102,972	-
A&N Dues	3,455,000	-
Accrued Staff Leave Allowances	30,175,782	-
Gratuity	22,496,850	-
VAT deductions due to FIRS	-	1,274,333
Staff welfare deduction – NB - GH	-	1,288,400
National Housing fund	978,990	424,427
Sigma Pension	1,819,876	91,736
NSITF	2,665,781	-3,775,239
Pension contribution	-	24,585,457
Joining Allowances	4,680,000	-
Accrued Interest on loan payable	-	4,020,000
Deposit for house	34,900,000	30,030,170
Audit fee	9,500,000	9,500,000
	210,116,380	87,673,379

NOTES TO THE FINANCIAL STATEMENTS Continued

	2021	2020
	₦	₦
23. Deferred rent		
Abuja plaza	301,785,714	301,785,714
Lagos	40,000,000	40,000,000
	341,785,714	341,785,714
24. Current tax liabilities		
Balance b/f	31,356,274	31,230,641
Tax liability adjustment	29,026,487	-
Base on this statement	200,403	125,633
Payments during the year	(40,000,000)	-
Balance c/f	20,583,164	31,356,274