

**UPDC REAL ESTATE INVESTMENT TRUST**

**MANAGEMENT ACCOUNTS  
FOR PERIOD ENDED 30 SEPTEMBER 2021**

UPDC REAL ESTATE INVESTMENT TRUST  
MANAGEMENT ACCOUNTS  
FOR PERIOD ENDED 30 SEPTEMBER 2021

**STATEMENT OF COMPREHENSIVE INCOME**

|   | Notes | 3 Months     | 9 Months     | 3 Months     | 9 Months     |
|---|-------|--------------|--------------|--------------|--------------|
|   |       | Ended        | Ended        | Ended        | Ended        |
|   |       | 30 Sept 2021 | 30 Sept 2021 | 30 Sept 2020 | 30 Sept 2020 |
|   |       | N '000       | N '000       | N '000       | N '000       |
| Income from investment property                             | 1     | 304,131      | 931,137      | 349,852      | 1,199,049    |
| Interest income   | 2     | 159,323      | 318,504      | 99,140       | 253,744      |
| Net gain/(loss) on financial assets held for trading        | 3     |              | (5,042)      | 1,206        | 3,544        |
| Other income  | 4     | 3,576        | (2,428)      | -            | 163,393      |
| Fair value loss on investment property                      | 8     |              | -            | -            | (61,915)     |
| <b>Net income</b>   |       | 467,030      | 1,242,171    | 450,198      | 1,557,815    |
| Operating expenses  | 5     | (153,974)    | (345,864)    | (115,404)    | (406,464)    |
| Profit before tax   |       | 313,055      | 896,306      | 334,794      | 1,151,351    |
| Tax   |       |              | -            | -            | -            |
| <b>Profit after tax</b>                                     |       | 313,055      | 896,306      | 334,794      | 1,151,351    |
| Earnings per unit attributable to unit holders of the Trust |       |              |              |              |              |
| Earnings per unit - basic and diluted (Naira)               |       | 0.12         | 0.34         | 0.13         | 0.43         |

**UPDC REAL ESTATE INVESTMENT TRUST  
MANAGEMENT ACCOUNTS  
FOR PERIOD ENDED 30 SEPTEMBER 2021**

**STATEMENT OF FINANCIAL POSITION**

|  | Notes | 30 Sept 2021<br>N'000 | 31 Dec 2020<br>N'000 |
|--|-------|-----------------------|----------------------|
| <b>Assets:</b>   |       |                       |                      |
| Bank balances  | 6     | 336,563               | 1,305,432            |
| Financial assets held for trading                            | 7     | 5,144,280             | 3,847,599            |
| Other assets   | 9     | 264,499               | 231,670              |
| Investment property  | 8     | 26,550,941            | 26,522,225           |
| Property and equipment                                       | 10    | 47,523                | 50,182               |
| Fixtures and fittings  | 11    | 40,842                | 43,161               |
| Right of use assets  | 12    | 19,003                | 19,003               |
|  |       | <u>32,403,652</u>     | <u>32,019,272</u>    |
| <b>Liabilities:</b>  |       |                       |                      |
| Accounts payable   | 13    | 214,916               | 620,205              |
| Rent received in advance                                     | 14    | 369,422               | 476,060              |
| Lease liabilities  |       | 12,517                | 12,517               |
|  |       | <u>596,855</u>        | <u>1,108,782</u>     |
| Total liabilities  |       |                       |                      |
| Net assets attributable to unit holders of the Trust         |       | <u>31,806,797</u>     | <u>30,910,490</u>    |
| <b>Represented by:</b>                                       |       |                       |                      |
| Units and reserves attributable to unit holders of the Trust |       |                       |                      |
| Unit holders' contributions                                  | 15    | 26,682,695            | 26,682,695           |
| Retained earnings  |       | 5,124,102             | 4,227,795            |
|  |       | <u>31,806,797</u>     | <u>30,910,490</u>    |

The financial statements have been approved and signed on behalf of the Board of Directors of the Fund Manager on 27, October 2021 by:

Oladele Sotubo (Director of the Fund Manager)



Tonye Gbadebo (Financial Controller of the Fund Manager)



UPDC REAL ESTATE INVESTMENT TRUST  
MANAGEMENT ACCOUNTS  
FOR PERIOD ENDED 30 SEPTEMBER 2021

| STATEMENT OF CHANGES IN UNITS AND RESERVES                        | 30 September 2021                         |                   |                   | 30 September 2020                         |                   |                   |
|---|---|-------------------|-------------------|---|-------------------|-------------------|
|   | ATTRIBUTABLE TO UNIT HOLDERS OF THE TRUST |                   |                   | ATTRIBUTABLE TO UNIT HOLDERS OF THE TRUST |                   |                   |
|   | Unitholders' contributions                | Retained earnings | Total             | Unitholders' contributions                | Retained earnings | Total             |
|   | N'000                                     | N'000             | N'000             | N'000                                     | N'000             | N'000             |
| <b>At 31 December</b>   | <b>26,682,695</b>                         | <b>4,227,795</b>  | <b>30,910,490</b> | <b>26,682,695</b>                         | <b>3,869,783</b>  | <b>30,552,478</b> |
| Comprehensive income  |   |                   |                   |   |                   |                   |
| Profit for the year   | -   | 896,306           | 896,306           | -   | 1,151,351         | 1,151,351         |
| Impairment of other financial instruments                         |   | -                 | -                 |   |                   | -                 |
|   |   | 896,306           | 896,306           |   | 1,151,351         | 1,151,351         |
| Transactions with unit holders in their capacity as unit holders: |   |                   |                   |   |                   |                   |
| Distributions paid to unit holders                                | -   | -                 | -                 | -   | -                 | -                 |
|   | -   | 896,306           | 896,306           | -   | 1,151,351         | 1,151,351         |
| <b>At 30 September</b>  | <b>26,682,695</b>                         | <b>5,124,102</b>  | <b>31,806,797</b> | <b>26,682,695</b>                         | <b>5,021,134</b>  | <b>31,703,829</b> |

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR PERIOD ENDED 30 SEPTEMBER 2021**

|   | 3 Months<br>Ended | 9 Months Ended   | 3 Months<br>Ended | 9 Months<br>Ended |
|---|-------------------|------------------|-------------------|-------------------|
|   | 30 Sept 2021      | 30 Sept 2021     | 30 Sept 2020      | 30 Sept 2020      |
|   | N'000             | N'000            | N'000             | N'000             |
| <b>1 Income from investment property</b>                      |                   |                  |                   |                   |
| Rental Income   | 304,131           | 931,137          | 349,852           | 1,199,049         |
|   | <u>304,131</u>    | <u>931,137</u>   | <u>349,852</u>    | <u>1,199,049</u>  |
| <b>2 Interest income</b>                                      |                   |                  |                   |                   |
| Placements with banks   | 64,539            | 65,990           | 2,678             | 7,214             |
| Corporate bonds   | 26,812            | 68,765           | 21,811            | 72,187            |
| Treasury bills  |                   | 5,439            | 18,650            | 44,343            |
| Commercial bills  | 4,094             | 38,126           | 9,510             | 14,944            |
| FGN promissory notes  | 63,878            | 140,183          | 46,491            | 115,056           |
|   | <u>159,323</u>    | <u>318,504</u>   | <u>99,140</u>     | <u>253,744</u>    |
| <b>3 Net gain/(loss) on financial assets held for trading</b> |                   |                  |                   |                   |
| Treasury bill trading income                                  |                   | (5,042)          | 1,206             | 3,544             |
|   |                   | <u>(5,042)</u>   | <u>1,206</u>      | <u>3,544</u>      |
| <b>4 Other income</b>   |                   |                  |                   |                   |
| Other income  | 3,576             | 3,576            |                   |                   |
| Gain/(loss) on James Pinnock JV                               |                   | (6,003)          |                   |                   |
| Income on disposal of investment property                     |                   |                  |                   | 163,393           |
|   | <u>3,576</u>      | <u>(2,428)</u>   |                   | <u>163,393</u>    |
| <b>5 Operating expenses</b>                                   |                   |                  |                   |                   |
| Fund manager's fee  | 48,902            | 86,573           | 27,846            | 82,694            |
| Property maintenance expenses                                 |                   | 74,899           | 14,857            | 112,594           |
| Registrar's fees  | 1,078             | 1,146            | 533               | 1,597             |
| Trustees' fees  | 3,283             | 3,825            | 1,050             | 3,150             |
| Audit fees  | 3,542             | 3,542            | 2,500             | 7,500             |
| Professional fees   | 632               | 13,640           | 3,675             | 24,547            |
| Custodian fees  | 5,731             | 13,569           | 6,328             | 17,498            |
| AGM Expenses  |                   | -                | 2,148             | 2,148             |
| Printing, advert and travels                                  |                   | -                | 874               | 874               |
| Statutory charges & fees                                      | 1,158             | 1,158            |                   | 1,158             |
| Property manager's fees                                       | 28,643            | 28,643           | 13,160            | 38,669            |
| Insurance premium   | 3,960             | 11,742           | 3,090             | 9,271             |
| Depreciation  | 21,821            | 49,915           | 39,343            | 100,478           |
| Other operating expenses                                      | 35,224            | 57,212           |                   | 4,286             |
|   | <u>153,974</u>    | <u>345,864</u>   | <u>115,404</u>    | <u>406,464</u>    |
| <b>6 Bank balances</b>  |                   |                  |                   |                   |
|   |                   | 30 Sept 2021     | 31 Dec 2020       |                   |
|   |                   | N'000            | N'000             |                   |
| - Current account with banks in Nigeria                       |                   | 163,057          | 1,305,432         |                   |
| - Call deposit  |                   | 173,506          |                   |                   |
|   |                   | <u>336,563</u>   | <u>1,305,432</u>  |                   |
| <b>7 Financial assets held for trading</b>                    |                   |                  |                   |                   |
|   |                   | 30 Sept 2021     | 31 Dec 2020       |                   |
|   |                   | N'000            | N'000             |                   |
| Treasury bills  |                   | -                | 1,066,602         |                   |
| Corporate bonds   |                   | 455,585          | 595,929           |                   |
| Commercial papers   |                   | -                |                   |                   |
| FGN promissory note   |                   | 2,325,252        | 2,185,068         |                   |
| Fixed Deposit   |                   | 2,363,444        |                   |                   |
|   |                   | <u>5,144,280</u> | <u>3,847,599</u>  |                   |

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR PERIOD ENDED 30 SEPTEMBER 2021**

|  | 30 Sept 2021      | 31 Dec 2020       |
|--|-------------------|-------------------|
|  | N'000             | N'000             |
| <b>8 Investment property</b>                                     |                   |                   |
| Beginning balance  | 26,522,225        | 26,893,847        |
| Disposal: Aba property   | -                 | (652,435)         |
| Renovation   | 28,716            | 227,736           |
| Fair value gain/(loss) (Derecognition of unrealised gain on Aba) |                   |                   |
|  | <u>26,550,941</u> | <u>26,469,148</u> |
| <b>9 Other assets</b>  |                   |                   |
| Financial:   |                   |                   |
| ECL Provision  |                   | (13,540)          |
| Rent receivables   | 112,962           | 77,299            |
| Receivable from property manager                                 | 142,719           | 142,594           |
| Receivable from James Pinnock Estate                             |                   | 6,129             |
|  | <u>255,681</u>    | <u>212,482</u>    |
| Non financial:   |                   |                   |
| Prepaid expenses   | 3,550             | 15,290            |
| Other Receivables  | 5,268             | 3,898             |
|  | <u>8,818</u>      | <u>19,188</u>     |
|  | <u>264,499</u>    | <u>231,670</u>    |
| <b>10 Property and equipment</b>                                 |                   |                   |
| <b>Cost</b>  |                   |                   |
| At 1 January   | 251,015           | 251,015           |
| Additions  | 45,483            | 20,409            |
| At 30 Sept 2021  | <u>296,498</u>    | <u>271,424</u>    |
| <b>Accumulated depreciation</b>                                  |                   |                   |
| At 1 January   | 221,242           | 187,861           |
| Charge for the year  | 27,733            | 33,381            |
| At 30 Sept 2021  | <u>248,975</u>    | <u>221,242</u>    |
| <b>Net book amount at 30 Sept</b>                                | <u>47,523</u>     | <u>50,182</u>     |
| <b>11 Fixtures and Fittings</b>                                  |                   |                   |
| <b>Cost</b>  |                   |                   |
| At 1 January   | 133,428           | 133,428           |
| Additions  | 32,369            | 12,507            |
| At 30 Sept 2021  | <u>165,797</u>    | <u>145,935</u>    |
| <b>Accumulated depreciation</b>                                  |                   |                   |
| At 1 January   | 102,774           | 56,280            |
| Charge for the year  | 22,181            | 46,494            |
| At 30 Sept 2021  | <u>124,955</u>    | <u>102,774</u>    |
| <b>Net book amount at 30 Sept</b>                                | <u>40,842</u>     | <u>43,161</u>     |
| <b>12 Leases</b>   |                   |                   |
| <b>i Right-of-use assets</b>                                     |                   |                   |
|  | Land              |                   |
|  | N'000             |                   |
| Opening balance as at 1 January 2021                             | 20,655            |                   |
| Impact of adoption of IFRS 16                                    | -                 |                   |
| Closing balance as at 30 Sept 2021                               | <u>20,655</u>     |                   |
| Depreciation   |                   |                   |
| Opening balance as at 1 January 2020                             | 1,652             |                   |
| Charge for the year  |                   |                   |
| Closing balance as at 30 Sept 2021                               | <u>1,652</u>      |                   |
| Net book value as at 30 Sept 2021                                | <u>19,003</u>     |                   |
| <b>ii Lease liabilities</b>                                      |                   |                   |

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR PERIOD ENDED 30 SEPTEMBER 2021**

|                                    |   |                    |                  |
|------------------------------------|---|--------------------|------------------|
|                                    |   | N'000              |                  |
|                                    | Opening balance as at 1 January 2021                    | 12,517             |                  |
|                                    | Impact of adoption of IFRS 16                           | -                  |                  |
|                                    | Interest expense  | -                  |                  |
|                                    | Payments made during the period                         | -                  |                  |
|                                    | Closing balance as at 30 Sept 2021                      | <u>12,517</u>      |                  |
|                                    | Current lease liabilities                               | 1,571              |                  |
|                                    | Non-current lease liabilities                           | <u>10,946</u>      |                  |
| iii                                |   | <u>12,517</u>      |                  |
|                                    | Amounts recognised in the statement of profit or loss   |                    |                  |
|                                    |   | Land               |                  |
|                                    |   | N'000              |                  |
|                                    | Depreciation charge of right-of-use assets              | -                  |                  |
|                                    | Interest expense  | -                  |                  |
|                                    | Lease modification gain                                 | -                  |                  |
| iv)                                | Liquidity risk (maturity analysis of lease liabilities) | <u>3-12 months</u> | <u>1-2 years</u> |
|                                    |   | -                  | -                |
|                                    | Lease liability   | <u>-</u>           |                  |
|                                    |   | 30 Sept 2021       | 31 Dec 2020      |
|                                    |   | N'000              | N'000            |
| <b>13 Other liabilities</b>        |   |                    |                  |
|                                    | Account payables  | 60,005             | 27,542           |
|                                    | Custodian fees payable                                  | 7,709              | 5,449            |
|                                    | Unclaimed Dividend                                      | 6,757              | 31,537           |
|                                    | Accrued expenses  | 127,235            | 100,662          |
|                                    | ECL provision   | 12,995             |                  |
|                                    | Other payables  | -                  | 454,800          |
|                                    |   | <u>214,701</u>     | <u>619,990</u>   |
|                                    | <b>Non financial Liabilities</b>                        |                    |                  |
|                                    | VAT payable   | 215                | 215              |
|                                    |   | <u>215</u>         | <u>215</u>       |
|                                    |   | <u>214,916</u>     | <u>620,205</u>   |
| <b>14 Rent received in advance</b> |   |                    |                  |
|                                    | Rent received in advance                                | 369,422            | 476,060          |
|                                    |   | <u>369,422</u>     | <u>476,060</u>   |