

**UPDC REAL ESTATE INVESTMENT TRUST**

**MANAGEMENT ACCOUNTS  
FOR PERIOD ENDED 31 DECEMBER 2021**

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**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	31 Dec 2021 N '000	31 Dec 2020 N '000
Income from investment property	6	1,272,173	1,605,624
Interest income	7	379,158	332,041
Net gain/(loss) on financial assets held for trading	8	(249,233)	30,622
Net (loss)/gain on financial assets at fair value through profit or loss	9	(74,611)	-
Other income	10	21,142	281,710
Fair value loss on investment property	15	-	(61,915)
<b>Net income</b>		<b>1,348,629</b>	<b>2,188,082</b>
Operating expenses	11	(556,592)	(495,614)
Profit before tax		<b>792,037</b>	1,692,468
Tax		-	-
<b>Profit after tax</b>		<b>792,037</b>	<b>1,692,468</b>
Earnings per unit attributable to unit holders of the Trust			
Earnings per unit - basic and diluted (Naira)		<b>0.30</b>	0.63

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**STATEMENT OF FINANCIAL POSITION**

	Notes	31 Dec 2021 N'000	31 Dec 2020 N'000
<b>Assets:</b>			
Bank balances	13	2,567,370	1,035,432
Financial assets held for trading	14	1,711,152	3,631,719
Other assets	16	187,730	205,095
Investment property	15	26,571,851	26,469,147
Property and equipment	17	36,218	27,840
Fixtures and fittings	18	41,074	44,900
Right of use assets	19	18,176	19,829
<b>Total assets</b>		<b>31,133,571</b>	<b>31,433,962</b>
<b>Liabilities:</b>			
Accounts payable	20	648,235	171,105
Rent received in advance	21	269,185	589,570
Lease liabilities	19	14,676	10,675
<b>Total liabilities</b>		<b>932,096</b>	<b>771,350</b>
<b>Net assets attributable to unit holders of the Trust</b>		<b>30,201,475</b>	<b>30,662,612</b>
<b>Represented by:</b>			
Units and reserves attributable to unit holders of the Trust			
Unit holders' contributions	22	26,682,695	26,682,695
Retained earnings		3,518,780	3,979,917
		<b>30,201,475</b>	<b>30,662,612</b>

*The financial statements have been approved and signed on behalf of the Board of Directors of the Fund Manager on 28, January 2022 by:*

**Oladele Sotubo (Director of the Fund Manager)**



**Emmanuel Adebayo (Financial Controller of the Fund Manager)**



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**STATEMENT OF CHANGES IN UNITS AND RESERVES**

**ATTRIBUTABLE TO UNIT HOLDERS OF THE TRUST**

	<b>Unitholders' contributions</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>At 31 December 2020</b>	<b>26,682,695</b>	<b>4,227,792</b>	<b>30,910,487</b>
Comprehensive income			
Profit for the year	-	792,037	792,037
Impairment of other financial instruments		-	-
		792,037	792,037
Transactions with unit holders in their capacity as unit holders:			
Distributions paid to unit holders	-	(1,501,052)	(1,501,052)
	-	(709,014)	(709,014)
<b>At 31 December 2021</b>	<b>26,682,695</b>	<b>3,518,780</b>	<b>30,201,475</b>

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	31 Dec 2021	31 Dec 2020
	N'000	N'000
<b>6 Income from investment property</b>		
Rental Income	1,272,173	1,605,624
	<u>1,272,173</u>	<u>1,605,624</u>
<b>7 Interest income</b>		
Placements with banks	1,451	4,320
Bonds	71,625	92,701
Treasury bills	5,439	56,555
Fixed deposits	119,218	16,919
FGN promissory notes	181,425	161,546
	<u>379,158</u>	<u>332,041</u>
<b>8 Net gain/(loss) on financial assets held for trading</b>		
Treasury bill trading income	(5,042)	3,544
Bond trading income	-	-
Fair value gain on held for trading instruments	(244,191)	27,078
	<u>(249,233)</u>	<u>30,622</u>
<b>9 Net gain on financial assets at fair value through profit or loss</b>		
Income from investment in real estate development	(74,611)	-
	<u>(74,611)</u>	<u>-</u>
<b>10 Other income</b>		
Gain/(loss) on James Pinnock JV	(6,003)	-
Other Income	27,145	-
Recovered withholding tax on KPMG rent	-	118,317
Income on disposal of investment property	-	163,393
	<u>21,142</u>	<u>281,710</u>
	31 Dec 2021	31 Dec 2020
	N'000	N'000
<b>11 Operating expenses</b>		
Fund manager's fee	119,735	110,008
Property maintenance expenses	131,226	158,487
Registrar's fees	887	2,129
Trustees' fees	4,300	4,200
Audit fees	8,500	8,500
Professional fees	14,137	16,634
Custodian fees	23,436	22,952
AGM Expenses	-	2,148
Printing, advert and travels	2,565	873
Statutory charges & fees	-	1,158
Property manager's fees	34,567	49,001
Insurance premium	15,290	12,362
Depreciation on property & equipment	71,531	100,478
Depreciation on right of use assets	826	-
Interest expense on lease	2,159	-
Other operating expenses	14,635	6,684
	<u>443,794</u>	<u>495,614</u>
	31 Dec 2021	31 Dec 2020
	N'000	N'000
<b>12 Other expenses</b>		
Withholding Credit note write-off	112,798	-
	<u>112,798</u>	<u>-</u>
<b>13 Bank balances</b>		
- Current account with banks in Nigeria	963,674	-
- Sinking Fund Bank account	36,027	-
- Call deposit	1,567,669	1,035,432
	<u>2,567,370</u>	<u>1,035,432</u>
	31 Dec 2021	31 Dec 2020
	N'000	N'000
<b>14 Financial assets held for trading</b>		
Treasury bills	-	1,066,602
Corporate bonds	546,791	595,929
Commercial papers	-	-
FGN promissory note	1,164,361	1,969,188
	<u>1,711,152</u>	<u>3,631,719</u>

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<b>15 Investment property</b>		
Beginning balance	26,522,225	26,893,846
Disposal:	-	(590,520)
Renovation	49,626	227,736
Fair value gain/(loss) (Derecognition of unrealised gain on Aba)	-	(61,915)
	<u>26,571,851</u>	<u>26,469,147</u>
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>N'000</b>	<b>N'000</b>
<b>16 Other assets</b>		
Financial:		
Rent receivables	158,476	45,238
Receivable from property manager	24,402	148,722
ECL provision	(13,540)	(8,055)
	<u>169,338</u>	<u>185,905</u>
Non financial:		
Prepaid expenses	18,392	15,293
Other Receivables	-	3,897
	<u>18,392</u>	<u>19,190</u>
	<u>187,730</u>	<u>205,095</u>
<b>17 Property and equipment</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cost</b>		
At 1 January	271,424	250,554
Additions	25,074	20,870
At 31 Dec 2021	<u>296,498</u>	<u>271,424</u>
<b>Accumulated depreciation</b>		
At 1 January	221,242	187,861
Charge for the year	39,038	55,723
At 31 Dec 2021	<u>260,280</u>	<u>243,584</u>
<b>Net book amount at 31 Mar</b>	<u>36,218</u>	<u>27,840</u>
<b>18 Fixtures and Fittings</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cost</b>		
At 1 January	145,935	133,428
Additions	30,405	12,507
At 31 Dec 2021	<u>176,340</u>	<u>145,935</u>
<b>Accumulated depreciation</b>		
At 1 January	102,774	56,280
Charge for the year	32,492	44,755
At 31 Dec 2021	<u>135,266</u>	<u>101,035</u>
<b>Net book amount at 31 Mar</b>	<u>41,074</u>	<u>44,900</u>
<b>19 Leases</b>		
i Right-of-use assets		
	<b>Total</b>	
	<b>N'000</b>	
Opening balance as at 1 January 2021	20,655	
Impact of adoption of IFRS 16	-	
Closing balance as at 31 Dec 2021	<u>20,655</u>	
Depreciation		
Opening balance as at 1 January 2021	1,653	
Charge for the year	826	
Closing balance as at 31 Dec 2021	<u>2,479</u>	
Net book value as at 31 Dec 2021	<u>18,176</u>	

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<b>ii</b>		
Lease liabilities		
	<b>N'000</b>	
Opening balance as at 1 January 2021	12,517	
Impact of adoption of IFRS 16	-	
Interest expense	2,159	
Payments made during the period	-	
Closing balance as at 31 Dec 2021	<u>14,676</u>	
Current lease liabilities	1,571	
Non-current lease liabilities	<u>13,105</u>	
	<b>14,676</b>	
<b>iii</b>		
Amounts recognised in the statement of profit or loss		
	<b>Total</b>	
	<b>N'000</b>	
Depreciation charge of right-of-use assets	826	
Interest expense	2,159	
Lease modification gain	-	
<b>iv)</b>		
Liquidity risk (maturity analysis of lease liabilities)	<u>1-2 years</u>	
	-	
Lease liability		
	<b>31 Dec 2021</b>	31 Dec 2020
	<b>N'000</b>	<b>N'000</b>
<b>20 Other liabilities</b>		
Account payables	39,169	28,042
Custodian fees payable	6,218	5,449
Dividend payable	499,213	31,537
Accrued expenses	103,420	105,862
Other payables	-	-
	<u>648,020</u>	<u>170,890</u>
<b>Non financial Liabilities</b>		
VAT payable	<u>215</u>	<u>215</u>
	<u>648,235</u>	<u>171,105</u>
<b>21 Rent received in advance</b>		
Rent received in advance	<u>269,185</u>	589,570
	<u>269,185</u>	589,570