

UPDC REAL ESTATE INVESTMENT TRUST

**FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2015**

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PARTIES TO THE FUND

Trustees

UBA Trustees Limited
UBA House (12th Floor)
57 Marina
Lagos
Telephone: (01) 2807032

Trustees

FBN Trustees Limited
16 Keffi Road
Off Awolowo Road, S.W. Ikoyi
Lagos
Telephone: (01) 4622673

Fund Manager

FSDH Asset Management Limited
8th Floor
1/5 Odunlami Street
Lagos Island
Lagos
Telephone: (01) 2704884-5

Property Manager

UACN Property Development Company Plc (UPDC)
REIT Business Manager
3rd Floors
1/5 Odunlami Street
Lagos Island, Lagos.
Telephone: (01) 2702201

Registrars

First Registrars Nigeria Limited
Plot 2 Abebe Village Road,
Iganmu
Lagos
Telephone: (01) 773086

Custodian

UBA Plc (Global Investor Services Division)
UBA House
57 Marina
Lagos
Telephone: (01) 2808349

Banker

United Bank for Africa Plc
Head Office Branch
UBA House
57 Marina
Lagos
Telephone: (01) 2808349

Auditor

PricewaterhouseCoopers
(Chartered Accountants)
Landmark Towers,
5B Water Corporation Drive
Victoria Island
Lagos
Telephone: (01) 2711700

Joint Trustees' Report on the UPDC Real Estate Investment Trust

For the Financial Statements for the period ended 31 December 2015

The Trustees present their report on the affairs of the UPDC Real Estate Investment Trust, together with the Financial Statements for the period ended 31 December, 2015.

Principal activity: The principal activity of the UPDC Real Estate Investment Trust (the "REIT") is the pooled investment in a diversified portfolio of income-generating real estate in Nigeria with high growth potential in accordance with the Trustee Investments Act, the Investments and Securities Act (2007), the Securities and Exchange Commission's Rules and Regulations and the Trust Deed (the Applicable Regulations).

Results: The results for the period ended 31 December, 2015 are set out on pages 13 and 14.

Directors: The Directors of the Fund Manager who served during the period under review were:

| | |
|---------------------------|---------------------|
| Mr. Rilwan Belo-Osagie | (Chairman) |
| Mrs. Olumayowa Ogunwemimo | (Managing Director) |
| Mrs. Hamda A. Ambah | (Director) |
| Mr. Emenike Davies Uduanu | (Director) |

The Directors of the Sponsor who served during the period under review were:

| | |
|----------------------|---------------------|
| Mr. Larry Ettah | (Chairman) |
| Mr. Hakeem Ogunniran | (Managing Director) |
| Mrs. Folasade Ogunde | (Director) |
| Mrs. Halima Alao | (Director) |
| Mr. Abdul Bello | (Director) |
| Mr. Adekunle Awojobi | (Director) |
| Prof. Okon A. Ansa | (Director) |

Directors' and related parties' interest in the units of the REIT: The Directors of the Fund Manager and Sponsor with direct beneficial interest in the units of the REIT are detailed below:

| | |
|------------------------|-----------|
| Mr. Rilwan Belo-Osagie | 1,000,000 |
| Mr. Hakeem Ogunniran | 1,000,000 |
| Mrs. Folasade Ogunde | 400,000 |
| Mrs. Hamda A. Ambah | 50,000 |
| Mrs. Halima Alao | 20,000 |

None of the directors of FBN Trustees Limited and United Capital Trustees Limited has any direct beneficial interest in the units of the REIT.

Responsibilities of the Fund Manager: The Investments and Securities Act, 2007 requires the Fund Manager to keep proper books of Account and prepare Annual Financial Statements, which give a true and fair view of the state of affairs of the Real Estate Investment Trust during the period covered by the financial statements.

The Fund Manager was responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any point in time, the financial position of the REIT and enable the Fund Manager to ensure that the Financial Statements comply with the Applicable Regulations.

The Fund Manager is also responsible for maintaining adequate financial resources to meet its commitments and to manage the risks to which the Fund is exposed.

Responsibilities of the Trustees: The responsibilities of the Trustees as provided by Securities and Exchange Commission's Rules and Regulations made pursuant to the Investments and Securities Act, 2007 are as stated below:

- Monitoring the activities of the Fund Manager and the Custodian on behalf of and in the interest of the Unit Holders;
- Ensuring that the Custodian takes into custody all of the Scheme's assets and holds them in trust for the holders in accordance with the Trust Deed and the Custodial Agreement;
- Monitoring the register of Unitholders or contributors;
- Ascertaining the Fund Manager's compliance with the Applicable Regulations;
- Ascertaining that the monthly and other periodic returns/reports relating to the Fund are sent by the Fund Manager to the Commission;
- Taking all steps and executing all documents which are necessary to secure acquisitions or disposals properly made by the Fund Manager in accordance with the Trust Deed and Custodial Agreement;
- Exercising any right of voting conferred on it as the registered holder of any investment and/or forward to the Fund Manager within a reasonable time all notices of meetings, reports, circulars, proxy solicitations and any other document of a like nature for necessary

