

**UPDC REAL ESTATE INVESTMENT TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

# UPDC REAL ESTATE INVESTMENT TRUST

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 CONTENTS

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	<b>Page</b>
Parties to the Trust	3
Joint Trustees' Report	4 - 6
Fund Manager's Report	7 - 9
Statement of the Fund Manager's Responsibilities	10
Statement of Corporate Responsibility	11
Fund Manager's Annual Assessment of, and Report on, Internal Control over Financial Reporting	12
Certification by the Chief Executive on Internal control over Financial Reporting	13
Certification by the Chief Financial Officer on Internal Control over Financial Reporting	14
Independent Auditor's Attestation Report on Fund Manager's Annual Assessment of Internal Control over Financial Reporting	15 - 16
Independent Auditor's Report	17 - 19
Statement of Financial Position	20
Statement of Comprehensive Income	21
Statement of Changes in Units and Reserves	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 45
Other National Disclosures:	
- Statement of Value Added	46
- Five-year Financial Summary	47

# UPDC REAL ESTATE INVESTMENT TRUST

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### Parties to the Trust

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#### Trustees

United Capital Trustees Limited  
Afriland Towers,  
3rd & 4th Floors,  
97/105, Broad Street,  
Lagos  
Telephone: (01) 2807032

#### Custodian

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

#### Trustees

First Trustees Limited  
16 Keffi Street  
Off Awolowo Road,  
Ikoyi, Lagos  
Telephone: (01) 4622673

#### Banker

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

#### Fund Manager

Stanbic IBTC Asset Management Limited  
Stanbic IBTC Towers  
Walter Carrington Crescent  
Victoria Island  
Lagos  
Tel:+234 (0) 700 0080 0900  
E-Mail: [mutualfunds@stanbicibt.com](mailto:mutualfunds@stanbicibt.com)  
Website: [www.stanbicibtassetmanagement.com](http://www.stanbicibtassetmanagement.com)

#### Auditor

Forvis Mazars  
18, Oba Akran Avenue  
Ikeja  
Lagos

#### Property Manager

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

#### Registrar

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

**Report of the Trustee for the financial year ended 31<sup>st</sup> December 2025**

The Trustees present their Report on the affairs of the UPDC Real Estate Investment Trust, together with the Financial Statements for the year ended 31st December 2025.

**Principal activity:** The principal activity of the UPDC Real Estate Investment Trust (the “Trust”) is to pool 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 2025, the Securities and Exchange Commission’s Rules and Regulations and the Trust Deed thereto (“the Applicable Regulations”).

**Results:** The results for the year ended 31st December 2025 are set out on pages 20-23.

**Directors:** The directors of the Fund Manager who served on the board of the Fund Manager during the year under review and up to the date of approving these financial statements were:

Mr. Olumide Oyetan	Chairman
Mrs. Busola Jejelowo	Managing Director
Mr. Oluwatosin Odutayo	Executive Director
Mrs. Yinka Johnson	Executive Director
Mr. Efe Omoduemuke*	Executive Director
Mr. Dolu Olugbenjo**	Executive Director
Mrs. Olufunke Amobi***	Executive Director
Mrs. Ifeoma Esiri****	Executive Director
Prof. Olayinka David-West	Independent Non- Executive Director
Mr. Dele Kuti Babatunde	Non- Executive Director
Mr. Babatunde Majiyagbe	Non- Executive Director
Mrs. Bridget Oyefeso-Odusami	Non- Executive Director

\*Mr. Efe Omoduemuke resigned as an Executive Director with effect

from 01 May 2025

\*\* Mr. Dolu Olugbenjo was appointed as an Executive Director with effect from 10 July 2025

\*\*\* Mrs Olufunke Amobi resigned as a Non-Executive Director with effect from 17 November 2025

\*\*\*\* Mrs. Ifeoma Esiri retired as a Non- Executive Director with effect from 17 November 2025

**Directors' and related parties interest in the units of the Fund:** None of the directors of Stanbic IBTC Asset Management Limited, First Trustees Limited and United Capital Trustees Limited has any direct beneficial interest in the units of the Trust.

***Responsibilities of the Fund Manager:***

The Investments and Securities Act, 2025 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 year covered by the financial statements. The Fund Manager is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any point in time, the financial position of the Trust 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 Trustee:***

The responsibilities of the Trustee as provided by the Trust Deed and other Supplemental thereto, the Securities and Exchange Commission's Rules and Regulations made pursuant to the Investments and Securities Act, 2025 are as stated below:

- Monitoring of 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 it in trust for the holders in accordance with the Trust Deed and the Custodial Agreement;
- Monitoring the register of unit holders 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;
- 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 action;
- Ensuring that fees and expenses of the fund is within the prescribed limits; and
- Acting at all times in the interest and for the benefit of unit holders of the scheme.

***Administration of the Trust:***

During the period under review, the allocation to liquid assets exceeded the maximum 10% limit as provided in the Trust Deed. This was because of the decline in the valuation of the Real Estate assets which impacted on the percentage holdings of the liquid assets. Apart from this, the Fund was administered in accordance with the applicable regulations, taking into cognisance prevailing market conditions as well as preserving and minimising possible losses to unit holders' funds.

**UPDC REIT  
MANAGED BY STANBIC IBTC ASSET MANAGEMENT LIMITED**

**Charitable donations  
or gifts:**

The Trust did not make any charitable donations or gifts during the year.

**Auditors:**

Forvis Mazars, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Fund. In accordance with Section 182(1) of the Investment and Securities Act 2025, therefore the auditors will be re-appointed.

**By Order of the Joint Trustees**



**Babajide Fetuga  
Acting Managing Director  
FRC/2024/PRO/DIR/003/468674  
First Trustees Limited  
16 Keffi Street, Off Awolowo Road  
Ikoyi, Lagos**

**27 March 2026**



**Michael Abiodun Thomas  
Managing Director  
FRC/2023/PRO/DIR/003/313031  
United Capital Trustees Limited  
Afriland Towers, 3rd & 4th Floors,  
97/105, Broad Street, Lagos, Nigeria**

**27 March 2026**

## UPDC REAL ESTATE INVESTMENT TRUST

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

#### Fund Manager's Report

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##### Global Economic Review

The global economy progressed through 2025 with a subdued and uneven growth trajectory, expanding by an estimated 2.4% - 3.2%. Despite the gradual moderation of inflation across major regions, the operating environment remained fragile, shaped by persistent lingering trade tensions, elevated interest rates, and geopolitical uncertainty. Advanced economies recorded modest gains, while emerging markets maintained relatively stronger momentum, though many continued to grapple with heavy debt loads and tight external conditions. These dynamics underscored the fragility of the global recovery, even as policymakers cautiously shifted toward less restrictive monetary settings.

Beneath these macro trends, key structural forces continued to redefine economic activity. Global supply chains were reshaped by protectionist measures and ongoing tariff disputes, with only limited relief from intermittent diplomatic engagements. At the same time, accelerated advances in artificial intelligence, sustained investment in green energy technologies, and broader industrial realignments signalled a continued shift toward long term productivity transformation. Financial conditions eased slightly as the dollar softened, offering incremental support to vulnerable emerging markets navigating refinancing pressures. Overall, 2025 unfolded as a year of modest expansion tempered by persistent vulnerabilities but marked by steady progress in key structural transitions.

##### Local Economy Update

Nigeria's macroeconomic landscape in 2025 was marked by continued disinflation, improving growth momentum and cautious monetary policy management. Headline inflation sustained its disinflationary trend through the quarter, declining to 15.15% in December 2025 from 34.80% in December 2024, the lowest level recorded since 2020 and marking the ninth consecutive month of moderation. Food inflation also eased significantly supported by improved harvest output and a more stable foreign exchange environment.

In the foreign exchange market, the Naira traded within a relatively narrow range and appreciated to ₦1,439.93/\$ by December 2025 (from ₦1,549.00/\$ in Dec 2024) at the NAFEX window, representing a c.7.6% appreciation of the naira. This reduced volatility provided a more predictable environment for businesses and attracted foreign portfolio inflows, strengthening the macroeconomic backdrop. The CBN maintained an overall steady stance, keeping the MPR at 27.5% for most of the year before a 50bps reduction in September, and subsequently holding at 27% in November.

The decision to set the asymmetric corridor at +50/ 450bps around the MPR aimed to enhance liquidity management and interbank efficiency, balancing the need to sustain disinflation while ensuring previous tightening measures to fully transmit through the economy.

Economic growth strengthened during the period, as evidenced by the improvement in Central Bank of Nigeria's (CBN) composite Purchasing Managers' Index (PMI) which rose to 57.6 index points, the strongest recorded in 2025. This reflects strong broad-based expansion and sustained improvement in private sector activity. Similarly, consensus estimates projects GDP growth of 4.22% in Q4, up from 3.98% in Q3 2025, supported by robust business activity and an improving macroeconomic backdrop.

## UPDC REAL ESTATE INVESTMENT TRUST

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 Fund Manager's Report

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#### Sector Focused Review

The real estate sector remained a critical pillar of Nigeria's economic transformation in 2025, emerging as the country's third-largest sector with real GDP contribution already exceeding ₦20 trillion as at Q3'2025. This performance positioned the sector ahead of the traditionally dominant oil and gas industry. The sector was estimated to reach a market value of \$2.61 trillion by 2025, with residential real estate accounting for \$2.25 trillion, driven by rapid urbanization rates exceeding 51% and a population approaching 230 million.

The market exhibited strong growth momentum with property prices in major urban centers like Lagos, Abuja, and Port Harcourt increasing by 8-15% annually, fueled significantly by diaspora remittances which grew 10% to \$23 billion in 2025. The sector's performance directly mirrored broader economic trends: while macroeconomic stability attracted investment and boosted investor confidence, high inflation initially reaching 33% and the Monetary Policy Rate climbing to 27% constrained affordability and limited mortgage access, exacerbating Nigeria's housing deficit estimated at 22-28 million units.

The sector's labour-intensive nature supported notable job creation across construction, manufacturing, and related services. This positioned it as both a beneficiary of economic recovery and a driver of inclusive growth despite challenges including regulatory bottlenecks, infrastructure deficits, and construction cost inflation that has continued to constrain the sector's full potential.

#### Outlook 2026

Nigeria's residential real estate market enters 2026 with cautious optimism, supported by strong population growth, accelerating urbanization, and ongoing infrastructure development, even as affordability pressures and persistent supply shortages remain a significant challenge. Demand for affordable and middle-income housing continues to outpace supply, keeping property prices and rents elevated and further widening the national housing deficit.

A stronger Naira, easing inflation, and steady economic reforms offer a more encouraging backdrop for recovery, though the approaching 2027 general elections introduce a degree of uncertainty as 2026 marks the final full year before pre-election activity intensifies. Key drivers shaping the year include macroeconomic stability, policy initiatives targeting affordable housing expansion, rising adoption of sustainability and technology in developments, and the catalytic impact of infrastructure investment on residential value.

Ultimately, meaningful progress will depend on coordinated government action, expanded innovative financing solutions, and increased mortgage access to help bridge the country's estimated 22–28 million unit housing deficit.

#### Fund Performance and Market Commentary

UPDC REIT delivered a resilient performance in 2025, supported by the strength of its diversified property portfolio and an improving macroeconomic environment. The Fund's mix of retail, residential, and commercial assets predominantly located across Lagos continued to demonstrate stability, with rental income growth and disciplined cost management driving overall performance. Occupancy levels rose to 97% from 96% in 2024, underscoring sustained tenant demand amid expanding economic activity and favorable market dynamics.

Investor sentiment toward the Trust strengthened meaningfully during the year. Trading activity on the Nigerian Exchange doubled, with 424.2 million units exchanging hands in 2025 compared to 211.7 million units in 2024. The unit price closed the year at ₦6.9, up from ₦5.9 in the prior year, representing a robust 26.6% year on year gain. This notable price appreciation highlights improved liquidity, rising investor confidence, and increased visibility of the Trust within the broader capital market.

**UPDC REAL ESTATE INVESTMENT TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025  
Fund Manager's Report**

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Financial performance remained solid, with gross revenue of ₦5.12 billion reflecting a moderated 6.3% decline from ₦5.47 billion in 2024 primarily due to lower fair value gain on the investment property and non-recurrence of Net gain on disposal of investment property recorded in prior year.

Rental income advanced strongly by 21.0% to ₦1.74 billion, while interest from bank deposits surged 57.4% to ₦1.21 billion, underscoring the benefits of active liquidity management and higher yields. The investment property portfolio delivered a healthy 8.6% valuation uplift to ₦29.59 billion from the previous ₦27.24 billion supported by redevelopment initiatives and market stabilization. These factors drove total assets to ₦36.29 billion, representing a 8.6% increase year-on-year, and a net assets attributable to unitholders to ₦35.48 billion, a 9.1% improvement.

In line with its distribution policy, the Fund paid an interim dividend of 22 kobo per unit for the period ended June 2025, disbursed on 04 September 2025 representing a 3.5% dividend yield for unitholders. A final dividend of 33 kobo per unit has been proposed for the period ended December 2025, reinforcing the Trust's commitment to delivering consistent income to investors.

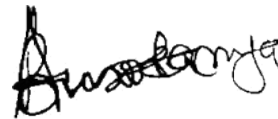
Looking ahead, the Fund Manager remains focused on maximizing value creation through targeted property upgrades, improved facility management, and deeper tenant engagement. With a proven track record and a strategic pipeline of initiatives, the Fund is well positioned to capture emerging opportunities and sustain growth momentum into 2026 and beyond.

ON BEHALF OF THE FUND MANAGER



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**Oluwatosin Odutayo**  
Executive Director  
FRC/2013/PRO/ICAN/001/00000001391  
Stanbic IBTC Asset Management Limited



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**Busola Jejelowo**  
Chief Executive  
FRC/2023/PRO/DIR/003/022382  
Stanbic IBTC Asset Management Limited

## UPDC REAL ESTATE INVESTMENT TRUST

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### Statement of Fund Manager's Responsibilities

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The Fund Manager is responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Trust as at 31 December 2025 and of the net income for the year ended 31 December 2025.

The responsibilities include ensuring that:

- i. the Trust keeps accounting records which disclose with reasonable accuracy the financial position of the Trust and which ensure that the financial statements comply with the requirements of the relevant accounting standards;
- ii. appropriate and adequate internal controls are established to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities;
- iii. the Trust prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- iv. it is appropriate for the financial statements to be prepared on a going concern basis.

The Fund Manager accepts 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:

- i. International Financial Reporting Standards
- ii. Financial Reporting Council of Nigeria Act
- iii. Investments and Securities Act
- iv. Relevant circulars issued by the Securities and Exchange Commission.

The Fund Manager further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

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

#### ON BEHALF OF THE FUND MANAGER



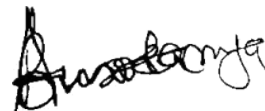
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**Oluwatosin Odutayo**

Executive Director

FRC/2013/PRO/ICAN/001/00000001391

Stanbic IBTC Asset Management Limited



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**Busola Jejelowo**

Chief Executive

FRC/2023/PRO/DIR/003/022382

Stanbic IBTC Asset Management Limited

## UPDC REAL ESTATE INVESTMENT TRUST

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### Statement of Corporate Responsibility

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In accordance with the provision of section 405 of the Companies and Allied Matters Act, 2020 we have reviewed the financial statements of the Trust for the year ended 31 December 2025 and based on our knowledge certify that:

- 1 the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made;
- 2 the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of the operation of the Trust as of and for, the year ended 31 December 2025;
- 3 the Trust's internal controls have been designed to ensure that material information relating to the Trust is made known to us by other officers of the Trust, particularly for the reporting year;
- 4 the Trust's internal controls were evaluated within 90 days prior to the audited financial statements' date and are effective as of 31 December 2025;
- 5 we have disclosed to the Trust's auditor and those charged with governance:
  - i. all significant deficiencies in the design or operation of internal controls which could adversely affect the Trust ability to record, process, summarise and report financial data, and has identified for the Trust's auditor any material weaknesses in internal controls and;
  - ii. whether or not, there is any fraud that involves Management or other employees who have a significant role in the Trust's internal control; and
- 6 we have indicated where there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.



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**Busola Jejelowo**

Chief Executive  
FRC/2023/PRO/DIR/003/022382  
Stanbic IBTC Asset Management Limited  
27 March 2026



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**Olaleye Kolawole**

Chief Financial Officer  
FRC/2023/PRO/ICAN/001/598708  
Stanbic IBTC Asset Management Limited  
27 March 2026

## UPDC REAL ESTATE INVESTMENT TRUST

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### Fund Manager's Annual Assessment of, and Report on, Internal Control over Financial Reporting

To comply with the provision of section 1.1 of SEC Guidance on Implementation of sections 60-63 of Investments and Securities Act 2007 and section 1.5 of FRC Guidance on Management Report on Internal Control over Financial Reporting, I hereby make the following statements regarding the Internal Controls of UPDC Real Estate Investment Trust for the year ended 31 December 2025.

- i. The Fund Manager is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. The Fund Manager used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Trust's ICFR;
- iii. The Fund Manager has assessed that the Trust's ICFR as of the end of 31 December 2025 is effective and there are no material weaknesses.

UPDC Real Estate Investment Trust's external auditor **Forvis Mazars** that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the Trust's internal control over financial reporting.

The attestation report of Forvis Mazars that audited its financial statements will be filed as part of UPDC Real Estate Investment Trust's annual report.



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**Busola Jejelowo**  
Chief Executive  
FRC/2023/PRO/DIR/003/022382  
Stanbic IBTC Asset Management Limited  
27 March 2026



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**Olaleye Kolawole**  
Chief Financial Officer  
FRC/2023/PRO/ICAN/001/598708  
Stanbic IBTC Asset Management Limited  
27 March 2026

## UPDC REAL ESTATE INVESTMENT TRUST

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

#### Certification by the Chief Executive on Internal control over Financial Reporting

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To comply with the provision of section 1.1 of SEC Guidance on Implementation of sections 60-63 of Investments and Securities Act 2007 and section 1.5 of FRC Guidance on Management Report on Internal Control over Financial Reporting, I hereby make the following statements regarding the Internal Controls of UPDC Real Estate Investment Trust for the year ended 31 December 2025.

I, Busola Jejelowo, certify that:

- a) I have reviewed this Fund Manager's assessment on internal control over financial reporting of UPDC Real Estate Investment Trust;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Trust as of, and for, the periods presented in this report;
- d) The Trust's other certifying officer and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the Trust's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Trust's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the Trust's auditor and the the investment committee of the Trust's Board of Directors:
  - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Trust's ability to record, process, summarize and report financial information; and
  - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Trust's internal control system.
- f) The Trust's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



**Busola Jejelowo**  
Chief Executive  
FRC/2023/PRO/DIR/003/022382  
Stanbic IBTC Asset Management Limited

**UPDC REAL ESTATE INVESTMENT TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**Certification by the Chief Financial Officer on Internal Control over Financial Reporting**

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To comply with the provision of section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007 and section 1.5 of FRC Guidance on Management Report on Internal Control over Financial Reporting, I hereby make the following statements regarding the Internal Controls of UPDC Real Estate Investment Trust for the year ended 31 December 2025.

I, Kolawole Olaleye, certify that:

- a) I have reviewed this Fund Manager's assessment on internal control over financial reporting of UPDC Real Estate Investment Trust;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Trust as of, and for, the periods presented in this report;
- d) The Trust's other certifying officer and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Trust, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the Trust's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Trust's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the trust's auditor and the audit committee of the Trust's Board of Directors:
  - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Trust's ability to record, process, summarize and report financial information; and
  - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Trust's internal control system.
- f) The Trust's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



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**Olaleye Kolawole**  
Chief Financial Officer  
FRC/2023/PRO/ICAN/001/598708  
Stanbic IBTC Asset Management Limited

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*Independent Auditor's Attestation Report on Fund Manager's Annual Assessment of Internal Control over Financial Reporting*

**To the Unitholders of UPDC Real Estate Investment Trust**

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**Opinion**

In our opinion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by the Management of Real Estate Investment Trust is not effective as of 31 December 2025, based on the requirements of Committee of Sponsoring Organisations of the Treadway Commission (COSO) Framework and SEC Guidance on Implementation of section 1.3 of SEC Guidance on Implementation of sections 60-63 of the Investments and Securities Act 2007 and section 1.5 of FRC Guidance on Management Report on Internal Control over Financial Reporting.

**Scope**

We have performed a limited assurance engagement on UPDC Real Estate Investment Trust's (the "Trust") internal control over financial reporting as of 31 December 2025 to ascertain its effectiveness based on FRC's Guidance on Assurance Engagement Report on Internal Control over Financial Reporting (the "Guidance"), to report on the Trust's Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the Trust's Fund Manager's Annual Assessment on Internal Control over Financial Reporting as of 31 December 2025 (the "Report").

The Fund Manager is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Fund Manager's Report on the Assessment of Internal Control over Financial Reporting as of 31 December 2025. Our responsibility is to express an opinion on the Trust's internal control over financial reporting based on our assurance engagement.

**Basis for Opinion**

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by Management over financial reporting.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

*Independent Auditor's Attestation Report on Fund Manager's Annual Assessment of Internal Control over Financial Reporting*

## **Definition and Limitations of Internal Control over Financial Reporting**


Internal control is a process, effected by an entity's board of Directors, Management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. A Trust's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Trust.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Trust are being made only in accordance with authorizations of Management and Fund Manager of the Trust; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that

## **Other Matter**

We also have audited, in accordance with the International Standards on Auditing, the financial statements of UPDC Real Estate Investment Trust and our report dated 30 March 2026 expressed an unmodified opinion.

  
**Adams Osamudiamé, FCA**  
**FRC/2021/004/00000023940**  
**For: Forvis Mazars**  
**Lagos, Nigeria**



**30 March 2026**

*Independent auditor's report*

To the Unitholders of UPDC Real Estate Investment Trust

*Report on the Audit of the Financial Statements*

**Our Opinion**

We have audited UPDC Real Estate Investment Trust's ("the Trust") financial statements which comprise of:

- the statement of profit or loss and other comprehensive income for the year ended, 31 December 2025;
- the statement of financial position as at 31 December 2025;
- the statement of changes in units and reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

In our opinion, UPDC Real Estate Investment Trust's financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS®), and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No. 42, 2023.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Trust in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the key audit matters identified in our audit of the financial statements of the Trust:

Key Audit Matter	How the Matter was Addressed in the Audit
Valuation of investment properties - N29.59 billion (refer to notes 2.7,4.2 and 15)	
Investment properties valuation-- We focused on this balance because significant judgement and estimate are made by the Fund Manager.  The Fund Manager engages an external expert to conduct these valuations. The valuation method applied to each property is determined based on its current use and the availability of market data on recent sales transactions. Management considered the future rental income in determining the value of investment properties.	We assessed the independence, qualification and expertise of the Fund Manager's valuation expert to determine whether there were any matters that might have affected their objectivity or competence.  With the support of our valuation experts, we; - evaluated the appropriateness and reliability of the valuation methodologies used to determine the fair value of the properties. - evaluated whether the property-specific information used in the valuation, (including rental income and title details for each property), accurately reflected the underlying records maintained by the Trust. - evaluated the accuracy and reliability of the inputs utilized in the property valuation.  We also assessed the adequacy of the presentation and disclosure of investment properties in the financial statements, ensuring compliance with the disclosure requirements of IAS 40.

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## *Independent auditor's report*

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### **Other Information**

The Fund Manager is responsible for the other information. The other information comprises the Parties to the Trust, Joint Trustees' Report, Fund Manager's Report, Statement of Fund Manager's Responsibilities, Statement of Corporate Responsibility, Fund Manager's Annual Assessment of and Report on Internal Control over Financial reporting, Certification by the Chief Executive on Internal Control over Financial Reporting, Certification by the Chief Financial Officer on Internal Control over Financial Reporting, Statement of Value Added and Five-year Financial Summary (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 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 that we 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.

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### **Responsibilities of the Fund Manager and Those Charged With Governance for the Financial Statements**

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in a manner required by the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act No. 42, 2023, and for such internal control as the Fund Manager determines 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 Fund Manager are responsible for assessing the Trust'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 Fund Manager either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

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### **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 ISA 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 ISA, 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 procedure 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 effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's 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 Trust'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 Trust 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 statement represent the underlying transactions and events in a manner that achieves fair presentation.
- We also provide those charged with governance 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, related safeguards.

*Independent auditor's report*

• From the matters communicated with those charged with governance, 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.

We communicate with the Audit Committee/those charged with governance 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**

The Companies and Allied Matters Act, 2020 requires that in carrying out our audit, we consider and report to you on the following matters. 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 purpose of our audit;
- ii) The Trust has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) The Trust's statement of financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

**Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting**

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on Management's assessment of the Trust as of December 31, 2025. The work performed was done in accordance with ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 30 March 2026.



**Adams Osamudame, FCA**  
**FRC/2021/004/00000023940**  
**For: Forvis Mazars**  
**Lagos, Nigeria**



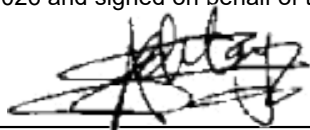
**30 March 2026**

**UPDC REAL ESTATE INVESTMENT TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
STATEMENT OF FINANCIAL POSITION AS AT 31 December 2025**

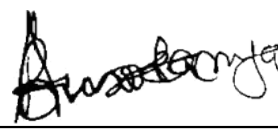
	Notes	31 December 2025 N'000	31 December 2024 N'000
<b>Assets:</b>			
Cash and cash equivalents	11	5,778,873	5,693,472
Financial assets held for trading	12	84,252	76,330
Other assets	14	66,731	69,248
Property and equipment	16	721,278	318,285
Right of use assets	13	44,110	28,012
Investment property	15	29,594,534	27,240,747
<b>Total assets</b>		<b>36,289,778</b>	<b>33,426,094</b>
<b>Liabilities:</b>			
Other liabilities	17	121,822	152,603
Rent received in advance	18	666,475	703,376
Lease liabilities	13	23,766	41,364
<b>Total liabilities</b>		<b>812,063</b>	<b>897,343</b>
<b>Net assets attributable to unit holders of the Trust</b>		<b>35,477,715</b>	<b>32,528,751</b>
<b>Represented by:</b>			
Units and reserves attributable to unit holders of the Trust			
Unit holders' contributions	19	26,682,695	26,682,695
Retained earnings	19	8,795,020	5,846,056
		<b>35,477,715</b>	<b>32,528,751</b>

*The accompanying notes form an integral part of these financial statements.*

These financial statements were prepared by the Fund Manager, approved by the Trustees of the Fund on 27 March 2026 and signed on behalf of the Fund Manager by the Directors listed below:



**Oluwatosin Odutayo**  
Executive Director  
FRC/2013/PRO/ICAN/001/00000001391  
Stanbic IBTC Asset Management Limited



**Busola Jejelowo**  
Chief Executive  
FRC/2023/PRO/DIR/003/022382  
Stanbic IBTC Asset Management Limited

**Additionally certified by:**



**Olaleye Kolawole**  
Chief Financial Officer  
FRC/2023/PRO/ICAN/001/598708  
Stanbic IBTC Asset Management Limited

**UPDC REAL ESTATE INVESTMENT TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
STATEMENT OF COMPREHENSIVE INCOME**

	Notes	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
Rental income	6	1,736,703	1,435,865
Interest income on cash at bank	(ii)	1,206,691	767,778
Interest income on assets measured at fair value through profit or loss	7	68,290	330,710
Fair value gain on investment property	15	2,101,793	2,540,998
Net gain/(loss) on financial assets held for trading	8	7,906	(16,465)
Net gain on disposal of scrap Items/investment property	9	1,400	410,000
<b>Revenue</b>		<b>5,122,783</b>	<b>5,468,886</b>
Impairment charge on receivables	14	(73,430)	(102,460)
Operating expenses	10	(714,455)	(668,808)
<b>Increase in net assets attributable to unit holders</b>		<b>4,334,898</b>	<b>4,697,618</b>
Earnings per unit to unit holders of the Trust			
Earnings per unit - basic and diluted (Naira)	22	1.62	1.76

*The accompanying notes form an integral part of these financial statements.*

**UPDC REAL ESTATE INVESTMENT TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN UNITS AND RESERVES**

**ATTRIBUTABLE TO UNIT HOLDERS OF THE  
TRUST**

	Unitholders' contributions	Retained earnings	Total
	N'000	N'000	N'000
<b>At 1 January 2024</b>	26,682,695	2,269,111	28,951,806
Increase in net assets attributable to unit holders	-	4,697,618	4,697,618
		4,697,618	4,697,618
Transactions with unit holders in their capacity as unit holders:			
Distribution paid to unit holders	-	(1,120,673)	(1,120,673)
	-	3,576,945	3,576,945
<b>At 31 December 2024</b>	<b>26,682,695</b>	<b>5,846,056</b>	<b>32,528,751</b>
<b>At 1 January 2025</b>	26,682,695	5,846,056	32,528,751
Increase in net assets attributable to unit holders	-	4,334,898	4,334,898
Prior year adjustment	-	(24,418)	(24,418)
*Withholding tax on fixed deposit placement	-	31,320	31,320
*Lease liability adjustments	-	4,341,800	4,341,800
		4,341,800	4,341,800
Transactions with unit holders in their capacity as unit holders:			
Distributions paid to unit holders	-	(1,392,836)	(1,392,836)
	-	2,948,964	2,948,964
<b>At 31 December 2025</b>	<b>26,682,695</b>	<b>8,795,020</b>	<b>35,477,715</b>

\*Prior year adjustment relates to omission of WHT liability on fixed income instrument not recognised in 2024, however, settled in 2025

\*Lease liability adjustment relates to adjustment to nil off liability carried in the books which was completely been settled in prior year.

*The accompanying notes form an integral part of these financial statements.*

**UPDC REAL ESTATE INVESTMENT TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
STATEMENT OF CASH FLOWS**

	Notes	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
<b>Cash flow from operating activities</b>			
Cash generated from operating activities	20	1,079,051	1,031,839
Interest received	7	1,274,981	1,098,488
<b>Net cash generated from operating activities</b>		<b>2,354,032</b>	<b>2,130,327</b>
<b>Cash flows from investing activities</b>			
Financial assets held for trading	12	(7,922)	6,097
Proceeds from sale of investment property	15	-	2,200,000
Acquisition of investment property	15	-	(903,192)
Improvement of investment property	15	(251,994)	-
Addition to Right of use asset	13	(27,248)	-
Purchase of property and equipment	16	(386,983)	(290,353)
Asset under construction	16	(203,876)	-
<b>Net cash (used in)/generated from investing activities</b>		<b>(875,795)</b>	<b>1,012,552</b>
<b>Cash flows from financing activities</b>			
Distributions paid to unit holders		(1,392,836)	(1,120,673)
<b>Net cash used in financing activities</b>		<b>(1,392,836)</b>	<b>(1,120,673)</b>
Net movement in cash and cash equivalents for the year		<b>85,401</b>	<b>2,022,205</b>
Analysis of changes in cash and cash equivalents:			
Cash and cash equivalents at start of year		5,693,472	3,671,267
Net movement in cash and cash equivalents for the year		85,401	2,022,205
Cash and cash equivalents at end of year		<b>5,778,873</b>	<b>5,693,472</b>

*The accompanying notes form an integral part of these financial statements.*

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**1. General information**

The UPDC Real Estate Investment Trust (the "Trust"), was established on June 6 2013 and commenced operations same day, is a close-ended Real Estate Investment Trust which is listed on the Nigerian Exchange (NGX). The units of the Trust can be bought and sold through a licensed stockbroker on the floor of the NGX.

The primary objective of the Trust is to enable investors earn stable income while preserving capital over the long term. This is achieved by ensuring stable cash distributions from investments in a diversified portfolio of income-producing real estate property and to improve and maximize unit value through the ongoing management of the Trust's assets, acquisitions and development of additional income-producing real estate property.

These financial statements were approved and authorised for issue by the Investment Committee on the 27 March 2026

**2. Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) as issued by the International Accounting Standard Board (IASB®). Additional information required by national regulations is included where appropriate. The financial statements have been prepared in accordance with the going concern principle under the historical cost convention as modified by the measurement of certain financial assets and investment property held at fair value.

The preparation of financial statements in conformity with IFRS® requires the use of certain critical accounting estimates. It also requires the Fund Manager to exercise its judgement in the process of applying the Trust's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Fund Manager believes that the underlying assumptions are appropriate and that the Trust's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The financial statements are presented in Naira, which is the Trust's functional and presentation currency. The figures shown in the financial statements are stated in thousands of Naira, unless otherwise stated.

**2.1 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

**2.2 New standards and amendments - applicable 01 January 2025**

A number of new standards are effective for the period beginning after 1 January 2025 and earlier application is permitted; however, the fund has early adopted the new or amended standards in preparing these financial statements.

Title	Key requirements	Effective Date
Amendment to IAS 21 (Lack of Exchangeability)	The International Accounting Standards Board (IASB®) issued 'Lack of Exchangeability' to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments will assist companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. The amendments will be applied retrospectively. The impact on the annual financial statements has not yet been fully determined.	01-Jan-25

**New standards and interpretations not yet effective**

A number of new standards and interpretations not yet effective for the period beginning after 1 January 2025 and earlier application is permitted; however, the fund has not early adopted the new or amended standards in preparing these financial statements.

Title	Key requirements	Effective Date
IFRS® 18 Presentation and Disclosure in Financial Statements (Amendments to IAS 1)	The standard set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The standards requires; Entities to classify their income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discounted operations and tax categories. Entities are also required to include a newly-defined operating profit sub-total. Entities' net profit will not change. Management-defined performance measures (MPMs) are disclosed in a single note in the financial statement. Enhance guidance is provided on how to group information in the financial statements. Entities are required to use the operating profit sub-total as the starting point for the statement of cashflows when presenting operating cashflow using the indirect methods.	01-Jan-27

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

IFRS® 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	The amendments address an inconsistency between the requirements in IFRS® 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be applied prospectively and are not expected to have a material impact on the Fund's financial statements.	Deferred indefinitely
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS® 9 Financial Instruments and IFRS® 7 Financial Instruments: Disclosures	The amendment settling financial liabilities using an electronic payment system; and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The amendments will be applied retrospectively. The impact on the financial statements has not yet been fully determined.	01-Jan-26
IFRS® 19 Subsidiaries without Public Accountability: Disclosures	The standard specify the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS® Accounting Standards. The impact on the annual financial statements has not yet been fully determined.	01-Jan-27

**2.3 Financial assets and liabilities**

**Recognition and initial measurement – financial instruments**

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Regular way purchases and sales of financial assets are recognised on settlement date.

**Financial assets**

<b>Amortised cost</b>	A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): <ul style="list-style-type: none"> <li>• held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and</li> <li>• 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.</li> </ul> This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss.
<b>Fair value through OCI</b>	Includes: <ul style="list-style-type: none"> <li>• A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss):  <ul style="list-style-type: none"> <li>— held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets; and</li> <li>— 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.</li> </ul> This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basis lending arrangement, the financial asset is classified as fair value through profit or loss .</li> <li>• Equity financial assets which are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.</li> </ul>
<b>Fair value through profit or loss</b>	Financial assets that are not classified into one of the above-mentioned financial asset categories and are not designated at fair value through profit or loss.

**Subsequent measurement**

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

<b>Amortised cost</b>	Amortised cost using the effective interest method with interest recognised in interest income, less any impairment losses which are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate. The carrying amount is adjusted by any expected credit loss allowance recognised and measured. Interest income is included in interest income on deposit with banks.
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**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>Fair value through OCI</b>	Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other gains and losses on financial instruments within non-interest revenue. Interest income on debt financial asset is recognised in interest income in terms of the effective interest rate method. Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained earnings. Dividends received on equity instruments are recognised in other income within non-interest income. The trust does not have any assets measured at FVOCI.
<b>Fair value through profit or loss</b>	Fair value gains and losses on the financial asset are recognised in the income statement as part of net gains on financial instruments held for trading. Interest income on these financial assets is included in interest income on assets received at fair value through profit or loss.

The trust did not have any equity investments at fair value through profit or loss during the period and in prior year.

**Derecognition**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, the assets have been

**Financial liabilities**

Classification and measurement

**Derecognition of financial liabilities**

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange

In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached

<b>Category (as defined by IFRS® 9)</b>	<b>Classes as determined by the Trust</b>		<b>Subclasses</b>
<b>Financial assets</b>	Amortised cost	Bank balances	Balances with banks
		Other assets	Rent receivables Receivable from property manager
	Financial assets held for trading (FVTPL)	Financial assets held for trading	Treasury bills Corporate bonds
		Financial assets at fair value through profit or loss	Investment in real estate development
			Fund manager's fee payable Custodian fees payable Dividend payable
<b>Financial liabilities</b>	Amortised cost	Account payables	Accrued expenses
		Rent received in advance	Rent received in advance
		Lease liability	Lease liabilities

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**2.4 Impairment**

For trade receivables that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. As a practical expedient, a provision matrix has been used to estimate ECL for these assets.

The provision matrix simply involves applying the relevant loss rates to the balances outstanding across the different age bands i.e. rates applied depends on the number of days that a trade receivable is past due.

The loss rate is determined based on historical losses rate over a three-year period. The loss definition is any receivables balance that is over 180 days. The estimated historical loss rates have been appropriately adjusted to reflect the expected future changes using macroeconomic variables which serve as indicators of losses. Macro variables considered include GDP growth rate, inflation rate and exchange rate respectively.

Based on the assessment as at 31 December 2025, the loss rates for each age bucket are as follows:  
as at 31 December 2025

Age bucket	Loss rates (%)
0-3months	0.00%
4 - 6months	100.00%
7 - 12months	100.00%
12months and above	100.00%

as at 31 December 2024

Age bucket	Loss rates (%)
0-12months	20.00%
13-23months	50.00%
24months and above	100.00%

Impairment expense is used to reduce the carrying value of the receivable and is recognised as part of impairment charge on receivables in the statement of comprehensive income.

**2.5 Write-off**

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Trust determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Trust's procedures for recovery of amounts due

**2.6 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of 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 liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Trust or the

**2.7 Investment property**

Investment property include income producing properties and property under development (land or building, or part of a building, or both) that are held by the Trust to earn rental income or for capital appreciation or both but are not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes.

Investment property are initially recognized at property cost including related transaction costs.

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value. Investment property under construction for which the fair value cannot be determined reliably, but for which the Trust expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment 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 Trust uses alternative valuation methods, such as recent prices on less active markets. 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 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.

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 Trust 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.

Changes in fair values are recognised in the statement of comprehensive income. Investment property are derecognised when they have been disposed or when no further economic benefits are expected from the property.

For investment property, the fair valuation is carried out by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment property valued. For all investment property, their current use equates to the highest and best use.

Income on disposal of investment properties are recognised in the statement of comprehensive income as 'net gain/loss on disposal of investment property'.

## **2.8 Interest income and expense**

Interest income for all interest-bearing financial instruments are recognised within 'interest income' in the statement of comprehensive income using the effective interest method. The Trust does not have any interest expense as at the reporting date.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- (a) purchased or originated credit-impaired financial assets (POCI), for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- (b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

## **2.9 Rental income from property**

Rental income from investment property is recognised on a straight-line basis over the lease term. When the Trust provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income. Rental Income earned but yet to be paid by the tenant(s) is recorded as "rent receivables" in the notes to the account and reported under "other assets" in the statement of financial position.

Rent paid in advance and yet to be earned are recorded as "Rent received in advance" in the statement of financial position.

## **2.10 Property and equipment**

### **(i) Recognition and measurement**

Items of property and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. An asset is recognised when it is probable that economic benefits associated with the item flow to the Trust and the cost of the item can be reliably measured.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment and are recognized net within other operating income in statement of comprehensive income.

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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The assets' carrying values and useful lives are reviewed, and written down if appropriate, at each date of the statement of financial position. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is less than the recoverable amount.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Trust and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in statement of comprehensive income.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS® 5. A non-current asset is not depreciated while it is classified as held for sale.

The estimated useful lives for the period are as follows:

-Office equipment	- 3 years
-Fixtures & fittings	- 3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(iv) Right-of-Use Assets

The Right-of-Use Assets relates to a building lease by the Trust.

The Trust recognises a right-of-use asset and if applicable, a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated amortisation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the Trust's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payments made.

(v) Decognition

Property, plant and equipment will be derecognised when no future economic benefit are expected from the assets. Gain or loss on the disposal is recognised as the difference between the disposal proceeds and carrying value of the asset.

**2.11 Cash and cash equivalents**

For the purposes of statement of cash flow, cash and cash equivalents are balances that are held for the primary purpose of meeting short term cash commitments. Hence this includes cash in hand and cash equivalents that are readily convertible to known amount of cash, are subject to insignificant risk of changes in value and whose original maturity is three months or less. This includes placements with banks and other short-term highly liquid investments which originally matures in three months or less (such as treasury bills with less than 3 months maturity).

**2.12 Taxation**

The Trust is domiciled in Nigeria. There is no income, estate, corporation, capital gains or other gains or taxes payable by the Trust. The Trust only incurs withholding taxes on dividend and rental income. The Trust did not earn any dividend income during the year ended 31 December 2025 (December 2024: Nil). The Trust also charges value added tax on sale of investment property or any part thereof and remits same to the responsible tax authorities.

**2.13 Distributions**

Distributions are recognised in retained earnings in the period in which they are approved by the Joint Trustees. Distributions for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note in the financial statement.

**2.14 Unit holding**

Holdings of the Trust are classified as unit holding. Incremental costs directly attributable to the issue of new units, are shown as a deduction against unitholders contributions.

**2.15 Earnings per unit**

Basic earnings/(loss) per unit is calculated by dividing the profit/(loss) for the year by the weighted average number of units in issue during the year.

Diluted earnings/(loss) per unit is calculated by adjusting the weighted average number of units outstanding to assume conversion of all dilutive potential units.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**3 Risk Management Objective and Policies**

**3.1 Financial risk management**

The Trust generates revenues for unit holders by investing in various income generating activities which include rental income on investment property, trading real estate equity securities on the stock exchange and trading in government securities. These activities expose the Trust to a variety of financial risks, including credit, liquidity risk and the effects of changes in debt and equity market prices and interest rates. The Trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the Fund Managers under direction of the Investment Committee and Stanbic IBTC Asset Management's Risk Management. The investment risk management framework also adheres to regulatory requirements in relation to investment policies; assets mix, valuation, diversification, asset and liability matching, and risk management. It also includes setting market, credit, liquidity and other investment risk management strategies and policies, developing management procedures to ensure that investments are only transacted in line with these policies, and having an appropriate system of measurement, monitoring, reporting and control underpinning investment activities.

**Risk Management Governance structure**



The Trust investments are made by the Fund Manager with the consent and approval of the Investment Committee in any of the following asset classes and in accordance with the maximum limit allowed. The limit allowed for each investment class is as stated below:

Asset Class	Minimum Limit	Maximum Limit
Real estate property	75.00%	100.00%
Real estate related assets	0.00%	25.00%
Liquid assets	0.00%	10.00%

This implies that:

1. A maximum of 100% or a minimum of 75% of the Trust's assets may be invested in real estate
2. A maximum of 25% or a minimum of 0% of the Trust's assets may be invested in real estate related assets such as equities of a real estate company
3. A maximum of 10% or a minimum of 0% of the Trust's assets may be invested in liquid assets

The Investment Committee is made up of three independent members (one of whom is the Chairman) who are seasoned professionals in real estate business and two representatives each of the Fund manager, trustees and

The Trust's financial instruments are categorised as follows:

31 December 2025		Financial Assets		Financial Liabilities
In thousands of Nigerian Naira	Note	Amortised cost	Financial assets at fair value through profit or loss	At amortised cost
		N'000	N'000	N'000
<b>Financial assets:</b>				
Cash and cash equivalents				
-Cash at bank	11	5,778,873	-	-
Financial assets held for trading				
- FGN Bonds	12	-	84,252	-
Other assets				
- Rent receivables	14	29,688	-	-
<b>Financial liabilities:</b>				
Account payable	17	-	-	121,822

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

31 December 2024		Financial Assets		Financial Liabilities
In thousands of Nigerian Naira	Note	Amortised cost	Financial assets at fair value through profit or loss	At amortised cost
<b>Financial assets:</b>		N'000	N'000	N'000
Cash and cash equivalents				
-Cash at bank	11	5,693,472	-	-
Financial assets held for trading				
- FGN Bonds	12	-	76,330	-
Other assets				
- Rent receivables	14	16,752	-	-
<b>Financial liabilities:</b>				
Accounts payable	17	-	-	152,603

**3.2 Liquidity risk**

Liquidity risk is the risk that the Trust though solvent, has insufficient liquid assets to meet its obligations such as operational costs and distribution to unit holders when they fall due. The liquidity profile of the Trust is a function of the asset mix as enunciated in the investment guidelines. To the extent that they are predictable, immediate demands for cash are not expected to pose undue liquidity risk for the Trust. An immediate demand for cash can only be a risk if there is liquidity shortage. The Trust will invest 10% of its total portfolio in liquid assets of diversified nature and staggered tenors in order to ensure that it is always able to meet its obligations.

The Trust being a closed ended Trust would not be faced with liquidity requests for redemption of units as units can only be sold to willing buyer(s) on the floor of the Nigerian Exchange Group (NGX)

**Liquidity maturity analysis**

The tables below analyse the Trust's financial assets and financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

**31 December 2025**

	Due on demand	Due within 3 months	Due within 3 & 12 months	More than 1 year	Total
	N'000	N'000	N'000	N'000	N'000
Financial assets					
Bank balances					
- Balances with banks	40,392	5,661,750	76,731	-	5,778,873
Rent receivable	-	4,009	7,670	227,643	239,322
Financial assets held for trading					
Financial assets carried at amortised cost					-
- FGN Bonds	-	-	-	84,252	84,252
	<u>40,392</u>	<u>5,665,759</u>	<u>84,401</u>	<u>311,895</u>	<u>6,102,447</u>
Financial liabilities					
Lease liability	-	121,822	-	-	121,822
	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,766</u>	<u>23,766</u>
Net financial asset	<u>40,392</u>	<u>5,543,937</u>	<u>84,401</u>	<u>288,129</u>	<u>5,956,859</u>
Net assets attributable to equity holders					<u>35,477,715</u>
Percentage of liquid financial assets to Net assets attributable to equity holders					17%

**31 December 2024**

	Due on demand	Due within 3 months	Due within 3 & 12 months	More than 1 year	Total
	N'000	N'000	N'000	N'000	N'000
Financial assets					
Bank balances					
- Balances with banks	162,519	3,508,748	-	-	3,671,267
Rent receivable	-	1,605	5,360	95,054	102,019
Financial assets held for trading					
- FGN Bonds	-	-	-	76,330	76,330
	<u>162,519</u>	<u>3,510,353</u>	<u>5,360</u>	<u>187,865</u>	<u>3,866,097</u>
Financial liabilities					
Lease liability	-	152,603	-	-	152,603
	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,364</u>	<u>41,364</u>
Net financial asset	<u>162,519</u>	<u>3,357,750</u>	<u>5,360</u>	<u>146,501</u>	<u>3,672,130</u>
Net assets attributable to equity holders					<u>32,528,751</u>
Percentage of liquid financial assets to Net assets attributable to equity holders					11%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**3.3 Credit risk**

The Trust is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Trust is exposed arises from the Trust's investments in debt securities. The Trust is also exposed to counterparty credit risk on cash and cash equivalents, and rent receivable from tenants. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal. The Trust considers the credit exposure to geographical sectors as immaterial as all the credit risk exposures are domiciled in Nigeria for all periods. The maximum exposure to credit risk is the carrying amount of the financial assets as set out below.

**Sector analysis of credit risk exposure**

**31 December 2025**

	<b>Bank balances N'000</b>	<b>Financial assets held for trading N'000</b>	<b>Other assets N'000</b>	<b>Maximum Exposure N'000</b>
Government	-	84,252	-	84,252
Financial Institutions	5,778,873	-	-	5,778,873
Others	-	-	29,688	29,688
	<u>5,778,873</u>	<u>84,252</u>	<u>29,688</u>	<u>5,892,813</u>

**31 December 2024**

	<b>Bank balances N'000</b>	<b>Financial assets held for trading N'000</b>	<b>Other assets N'000</b>	<b>Maximum Exposure N'000</b>
Others	-	-	16,752	16,752
	<u>-</u>	<u>-</u>	<u>16,752</u>	<u>16,752</u>

The financial assets to which the Trust is exposed are mainly Federal Government of Nigeria (FGN) Bonds to which as Nigeria's sovereign obligations, have low credit risk. Others are call placement with banks.

A rating grid which shows the ratings of all financial assets is illustrated below.

	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
AAA	84,252	76,330
B-	5,778,873	5,693,472
Unrated	29,688	16,752
	<u>5,892,813</u>	<u>5,786,554</u>

**3.4 Market risk**

(a) Price risk

This is the risk that prevailing market forces of demand and supply may negatively impact the Trust's underlying asset values and its ability to attain projected performance based on declining rental income and therefore result in reduced distributions to investors.

Over-supply and/or softening demand for real estate as a function of general economic conditions, will impact property values and rental income, as demand and supply imbalance will have a negative impact on real estate prices. Consequently, reduced occupancy levels and declining rental values will affect the Trust's operating performance, portfolio valuation and ultimately its capacity to distribute returns to investors.

With the expertise and track record of the Fund Manager, Property Manager and members of the Investment Committee, we expect that adverse changes in market conditions shall be effectively managed to ensure minimal impact on the operations and value of the Trust. Potential changes in market risk indicators such as adverse economic conditions that impact price of the underlying asset values are expected to be tabled before the Investment Committee by the Fund Manager for deliberation to ensure effective and proactive assessment and management of the risk.

**Classification of financial assets**

	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
Financial assets held for trading	84,252	76,330
	<u>84,252</u>	<u>76,330</u>

The impact on the Trust's net asset attributable to unit holders if prices of financial asset held had increased or decreased by 5% with all other variables held constant is shown below:

Increase	4,213	3,817
Decrease	(4,213)	(3,817)

(b) Cashflow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cashflows.

The Trust also holds fixed interest securities which expose the Trust to fair value interest rate risk. The Trust's fixed interest rate financial asset is a FGN Bond, and call balances with financial institutions.

However, the Trust may be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Trust invests. The risk here is

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

The table below shows the impact on the Trust's profit before tax if interest rates on the financial assets held for trading had increased by 100 basis points, with all other variables held constant.

	31 December 2025 N'000	31 December 2024 N'000
Effect of 100 basis points movement on profit		
Increase	843	763
Decrease	(843)	(763)

(c) Foreign exchange risk

The Trust did not have investments denominated in foreign currency as at 31 December 2025 (December 2025: Nil) and as a result was not exposed to foreign

**3.5 Capital management**

The capital of the Trust is represented by equity. The Trust is a closed-ended Trust as such there are no daily subscriptions and redemptions that can affect the capital of the Trust as the Trust can only be traded at prices determined by the forces of demand and supply on the Nigerian Exchange Group (NGX).

The Fund Manager's objectives when managing capital are to safeguard the Trust's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Trust may adjust the amount of distributions paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt. Also there is no regulatory capital requirement for the Trust.

**3.6 Fair value estimation**

**Financial assets and liabilities not measured at fair value**

	<b>31 December 2025</b>	
	<b>Carrying Value N'000</b>	<b>Fair value N'000</b>
<b>Financial assets</b>		
Cash and cash equivalents		
- Placement with Banks	5,778,873	5,778,873
- Other assets	29,688	29,688
	<u>5,808,561</u>	<u>5,808,561</u>
<b>Financial Liabilities</b>		
Other liabilities	121,822	121,822
	<u>121,822</u>	<u>121,822</u>
	<b>31 December 2024</b>	
	<b>Carrying Value N'000</b>	<b>Fair value N'000</b>
<b>Financial assets</b>		
Cash and cash equivalents		
- Placement with banks	5,693,472	5,693,472
- Other assets	16,752	16,752
	<u>5,710,224</u>	<u>5,710,224</u>
<b>Financial Liabilities</b>		
Other liabilities	152,603	152,603
	<u>152,603</u>	<u>152,603</u>

For financial assets and liabilities not measured at fair value, their carrying values are reasonable approximation of their fair value.

Fair value hierarchy of financial assets and liabilities not measured at fair value is shown below.

**At 31 December 2025 (N'000)**

	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	5,778,873	5,778,873
Other assets	29,688	29,688
	<u>5,808,561</u>	<u>5,808,561</u>
Other liabilities	121,822	121,822
	<u>121,822</u>	<u>121,822</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**At 31 December 2024 (N'000)**

	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	5,693,472	5,693,472
Other assets	16,752	16,752
	<u>5,710,224</u>	<u>5,710,224</u>
Other liabilities	152,603	152,603
	<u>152,603</u>	<u>152,603</u>

**Financial instruments measured at fair value**

**FGN promissory notes and bonds (Corporate & FGN)**

FGN promissory notes represents short to medium term instruments issued by the Central Bank of Nigeria. Bonds are debt instruments or contracts issued for an agreed period of time. The investor lends an amount of money to the issuer and earns interest on the investment until the maturity of the bond when the principal will be repaid. The fair value of actively traded FGN promissory notes and bonds are determined with reference to quoted prices (unadjusted) in an active market for identical assets.

The fair values for bonds are obtained from the Financial Markets Dealers Quotations (FMDQ) bond price index. The bond prices are model prices derived from a modelled yield. The modelled yield is calculated by adding a risk premium to the valuation yield (corresponding tenor to maturity (TTM) yield interpolated off the FGN bond theoretical spot rate curve). This is used to calculate the bond bid price.

Risk premiums are derived by 2 methods described below;

1. Apply risk spread on latest acceptable trade for the respective bonds i.e. determine the spread between the bond yield on the latest acceptable trade and the FGN bond spot rate of comparable TTM.
2. Apply risk spread at issuance i.e. determine the spread between the bond yield at issuance and the FGN bond spot rate of comparable TTM. However, where the risk spread at issuance is less than 1% (100 basis points), a base risk premium of 100 basis points is applied.

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Trust's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs) This hierarchy requires the use of observable market data when available.

The Trust considers relevant and observable market prices in its valuations where possible.

Fair value hierarchy of financial assets is shown below

**At 31 December 2025 (N'000)**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets::				
- Held for trading	84,252	-	-	84,252
	<u>84,252</u>	<u>-</u>	<u>-</u>	<u>84,252</u>

**At 31 December 2024 (N'000)**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets:				
- Held for trading	76,330	-	-	76,330
	<u>76,330</u>	<u>-</u>	<u>-</u>	<u>76,330</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4 Critical accounting estimates and judgements**

The Trust's financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Fund Manager makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Fund Manager's judgements for certain items are especially critical for the Trust's results and financial situation due to their materiality. These judgements and estimates include:

**4.1 Equity holders classification**

The units of the Trust are not redeemable and are therefore not carried as financial liabilities. The Trust is a close-ended trust.

Units are bought or redeemed at prices determined by the forces of demand and supply on the Nigerian Exchange Group (NGX) with no guarantees to the equity holders of principal or return.

The units are treated as equity in line with IAS 32 and IFRS 9.

**4.2 Valuation of investment property**

Investment property include income producing property and property under development (land or building, or part of a building, or both) that are held by the Trust to earn rent or for capital appreciation or both.

The Trust's investment property are measured at fair value. The Trust holds six investment property being office and residential buildings in Lagos. The buildings are as listed below:

Property State	Abebe	VMP I, Victoria	VMP II, Victoria	Pearl Hostel, Ibeju-Lekki	Kingsway Building, Marina	Project Stack	Total
	Court, Ikoyi Lagos	Island Lagos	Island Lagos	Lagos	Lagos	Lagos	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Beginning balance	6,080,000	7,592,688	8,900,000	662,587	2,325,412	1,680,062	27,240,749
Improvement	-	-	-	-	-	251,993	251,993
Unrealised fair value gain/(loss) recognised in the statement comprehensive income	-	1,843,313	886,000	17,841	(645,361)	-	2,101,793
Fair value at 31 December 2025	<b>6,080,000</b>	<b>9,436,001</b>	<b>9,786,000</b>	<b>680,428</b>	<b>1,680,051</b>	<b>1,932,055</b>	<b>29,594,534</b>

Property State	Abebe	VMP I, Victoria	VMP II, Victoria	UAC Commercial Complex, Abuja	Pearl Hostel, Ibeju-Lekki	Kingsway Building, Marina	Project Stack	Total
	Court, Ikoyi Lagos	Island Lagos	Island Lagos	FCT Abuja	Lagos	Lagos	Lagos	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Beginning balance	5,180,000	6,460,000	8,400,000	1,790,000	466,000	2,291,000	999,557	25,586,557
Additions(Asset under construction)	-	222,688	-	-	-	-	680,505	903,192
Disposals	-	-	-	(1,790,000)	-	-	-	(1,790,000)
Unrealised fair value gain/(loss) recognised in the statement comprehensive income	900,000	910,000	500,000	-	196,587	34,412	-	2,540,999
Fair value at 31 December 2024	<b>6,080,000</b>	<b>7,592,688</b>	<b>8,900,000</b>	<b>-</b>	<b>662,587</b>	<b>2,325,412</b>	<b>1,680,062</b>	<b>27,240,748</b>

**Valuation Process**

The fair value is based on valuation prepared 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 professional valuer engaged for the preparation of the valuation reports is UBOSI ELEH & CO (ESTATE SURVEYORS & VALUERS), FRCN number (FRC/2014/NIESV/00000003997).

After the submission of the valuation report from the valuer, the Investment Committee which comprises of highly knowledgeable professionals in real estate business reviews the report.

At the financial year end, the Fund Manager and the Property Manager:

- verify all major inputs to the independent valuation report;
- assess property valuation method used and movements when compared to the prior year valuation report;
- hold discussions with the independent valuer, when necessary.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**Valuation techniques**

In carrying out the valuation, below are the various methods adopted by the valuer in determining the market value of investment property.

- Direct market comparison method
- Investment method
- Depreciated replacement cost method

Direct market comparison method compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions to arrive at the value. The process uses one of several techniques to adjust the prices of the comparable transactions according to the presence, absence or degree of Investment method is usually adopted in determining the market value of an income producing property in the form of rentals. This method stands more appropriate in the absence of direct market comparison discussed above.

This method was adopted across all the properties because these properties are income generating and there are evidence of current rentals earned on the property. Depreciated replacement cost method of valuation seeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) and other infrastructural facilities on it, including professional fees and finance costs LESS an allowance for depreciation to account for age, wear and tear and obsolescence, where applicable.

**Investment property and valuation methods and assumptions used**

Property State	Abebe Court, Ikoyi Lagos N'000	VMP I, Victoria Island Lagos N'000	VMP II, Victoria Island Lagos N'000	Pearl Hostel, Ibeju-Lekki Lagos N'000	Kingsway Building, Marina Lagos N'000
Valuation method	Investment/Direct Market Comparison /Depreciated Replacement Method	Investment/Direct Market Comparison	Investment Method	Investment Method	Investment Method
Reasons for method used	Availability of market prices for similar properties and available rental income	Availability of market prices for similar properties and available rental income	Available rental income	Available rental income	Available rental income
Number of years	Unexpired lease in the property is 21yrs	Unexpired lease in the property is 79yrs	Unexpired lease in the property is 80yrs	Unexpired lease in the property is 13yrs	Unexpired lease in the property is 14yrs

**Fair value hierarchy of investment property is shown below  
At 31 December 2025 (N'000)**

	Level 2	Level 3	Total
Investment property:			
- Abebe Court, Ikoyi, Lagos	6,080,000	-	6,080,000
- VMP I, Victoria Island, Lagos	9,436,001	-	9,436,001
- VMP II, Victoria Island, Lagos	-	9,786,000	9,786,000
- Pearl Hostel, Ibeju-Lekki, Lagos	-	680,428	680,428
- Kingsway Building, Marina, Lagos	-	1,680,051	1,680,051
	<u>15,516,001</u>	<u>12,146,479</u>	<u>27,662,480</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**At 31 December 2024 (N'000)**

	Level 2	Level 3	Total
Investment property:			
- Abebe Court, Ikoyi, Lagos	6,080,000		6,080,000
- VMP I, Victoria Island, Lagos	7,592,688	-	7,592,688
- VMP II, Victoria Island, Lagos		8,900,000	8,900,000
- Pearl Hostel, Ibeju-Lekki, Lagos	-	662,587	662,587
- Kingsway Building, Marina, Lagos	-	2,325,412	2,325,412
	<u>13,672,688</u>	<u>11,887,999</u>	<u>25,560,687</u>

**Reconciliation of Level 3 items**

The following table presents changes in level 3 instruments

At 31 January 2025	11,887,999
Total Gains recognised through profit or loss	258,480
At 31 December 2025	<u>12,146,479</u>

**Sensitivity Analysis of property on level 2&3:**

Below is the sensitivity analysis of changes in parameter used in the valuation of the investment property. This shows the effect on the valuation if there is a plus or minus 0.5% in the valuation table scale used for the purpose of the valuation. These sensitivity values will impact profit or loss.

31 December 2025

Property:	Abebe Court, Ikoyi Lagos	VMP I, Victoria Island Lagos	VMP II, Victoria Island Lagos	Pearl Hostel, Ibeju-Lekki Lagos	Kingsway Building, Marina Lagos
Valuation Method	Market value	Market value	capitalisation	Income capitalisation	Income capitalisation
Fair Value	6,080,000	9,436,001	9,786,000	680,428	1,680,051
Sensitivity Analysis:	+/- 5% of Market Value	+/- 5% of Market Value	+/- 0.5% on capitalisation rate	+/- 0.5% on capitalisation rate	+/- 0.5% on capitalisation rate
Impact of increase in valuation scale/rate	<u>(304,000)</u>	<u>(471,800)</u>	<u>(489,300)</u>	<u>(34,021)</u>	<u>(84,003)</u>
Impact of decrease in valuation scale/rate	<u>304,000</u>	<u>471,800</u>	<u>489,300</u>	<u>34,021</u>	<u>84,003</u>

31 December 2024

Property:	Abebe Court, Ikoyi Lagos	VMP I, Victoria Island Lagos	VMP II, Victoria Island Lagos	UAC Commercial Complex, Abuja FCT Abuja	Pearl Hostel, Ibeju-Lekki Lagos	Kingsway Building, Marina Lagos
Valuation Method	Redevelopment Method	Market value	Income capitalisation	Income capitalisation	Income capitalisation	Income capitalisation
Fair Value	6,080,000	7,592,688	8,900,000	-	662,587	2,325,412
Sensitivity Analysis:	+/- 5% of Market Value	+/- 5% of Market Value	+/- 0.5% on capitalisation rate	+/- 0.5% on capitalisation rate	+/- 0.5% on capitalisation rate	+/- 0.5% on capitalisation rate
Impact of increase in valuation scale/rate	<u>(304,000)</u>	<u>(379,634)</u>	<u>(886,267)</u>	<u>(177,193)</u>	<u>22,450</u>	<u>(87,899)</u>
Impact of decrease in valuation scale/rate	<u>304,000</u>	<u>379,634</u>	<u>723,818</u>	<u>181,208</u>	<u>80,500</u>	<u>93,659</u>

**5 Segment information**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments. The Trust operates only one line of business, which is investing in real estate assets and other liquid assets to earn rentals or for capital appreciation or both in line with its Trust Deed. The Fund Manager does not consider it necessary to report the Trust's operations by both business and geographical segments.

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<b>N'000</b>	<b>N'000</b>
<b>6 Rental income</b>		
Rental income	1,736,703	1,435,865
	<u>1,736,703</u>	<u>1,435,865</u>
<i>*Revenue from rental income is recognised over time</i>	<u>1,736,703</u>	<u>1,435,865</u>
<b>7 Interest Received</b>		
<b>(i) Interest income on assets measured at fair value through profit or loss:</b>		
Bonds	11,964	11,964
Treasury bills	31,907	318,746
WHT Waiver on Tbill	24,419	-
	<u>68,290</u>	<u>330,710</u>
<b>(ii) Interest income on cash at bank:</b>		
Interest earned on placements	1,187,640	728,533
Credit interest on bank balance	19,051	39,245
	<u>1,206,691</u>	<u>767,778</u>
<i>Credit interest relates to interest earned on cash at bank during the year</i>	<u>1,206,691</u>	<u>767,778</u>
	<u>1,274,981</u>	<u>1,098,488</u>
<b>8 Net gain/(loss) on financial assets held for trading</b>		
Fair value gain/(loss) on held for trading instruments	7,906	(16,465)
	<u>7,906</u>	<u>(16,465)</u>
<b>9 Net gain on disposal of investment property</b>		
Gain on disposal of investment property (Sale of UAC complex)	-	410,000
Gain on disposal of scrap items	1,400	-
	<u>1,400</u>	<u>410,000</u>
	<u>1,400</u>	<u>410,000</u>
	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>N'000</b>	<b>N'000</b>
<b>10 Operating expenses</b>		
Fund manager's fee	137,704	120,981
Incentive Fees	-	-
Property maintenance expenses	126,018	179,345
Registrar's fees	11,422	13,098
Trustees' fees	4,300	10,262
Audit fees	18,813	16,125
Professional fees	32,856	57,726
Custodian fees	25,820	23,937
Rental expenses	-	4,630
Printing and advert expenses	600	570
SEC fees	64,048	53,346
Property manager's fees	51,539	30,085
Insurance premium	35,312	33,979
Depreciation on office equipment(note 16)	136,411	105,207
Depreciation on right-of-use assets (note 13)	11,150	4,931
Interest expense on lease	4,991	3,577
Depreciation on fixtures & fittings(note 16)	51,454	-
Other operating expenses	2,017	11,009
	<u>714,455</u>	<u>668,808</u>
<i>*Other operating expenses include bank charges, stamp duties and other fund expenses</i>	<u>714,455</u>	<u>668,808</u>

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>11 Cash and cash equivalents</b>	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
- Current account with banks in Nigeria		
Cash at bank	5,778,873	5,693,472
	<u>5,778,873</u>	<u>5,693,472</u>

Cash at bank represents call account balances and fixed deposits with commercial banks.

The bank deposits are short term in nature and can be withdrawn at short notice. No impairment losses are recognised on the balance as the fund manager concludes that the risk of default is low and there is no material significant increase in credit risk (SICR).

Included in this balance is an amount of 5.738Billion (2024:5.377Billion) which are fixed deposits with tenor of over 90days.

<b>12 Financial assets held for trading</b>	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
FGN bonds	84,252	76,330
	<u>84,252</u>	<u>76,330</u>
Current	-	76,330
Non-Current	84,252	-
	<u>84,252</u>	<u>76,330</u>

<b>13 Leases</b>	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
<b>i Right-of-use assets</b>		
Opening balance as at 1 January	41,178	41,178
Additions during the year	27,248	-
Closing balance as at 31 December	<u>68,426</u>	<u>41,178</u>
<b>Depreciation</b>		
Opening balance as at 1 January	13,166	8,235
Charge for the year	11,150	4,931
Closing balance as at 31 December	<u>24,316</u>	<u>13,166</u>
Carrying Amount as at 31 December	<u>44,110</u>	<u>28,012</u>
<b>ii Lease liabilities</b>		
Opening balance as at 1 January	41,364	37,787
Interest expense	4,991	3,577
Reclassifications	(22,589)	-
Closing balance as at 31 December	<u>23,766</u>	<u>41,364</u>
Non-current lease liabilities	<u>23,766</u>	<u>41,364</u>

**UPDC REAL ESTATE INVESTMENT TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

iii		Amounts recognised in the statement of profit or loss		31 December 2025 N'000	31 December 2024 N'000
				11,150	4,931
				4,991	3,577
iv	Liquidity risk (maturity analysis of lease liabilities)	<u>0-3 months</u>	<u>3-12 months</u>	<u>1-2 years</u>	<u>Above 2 years</u>
	Lease liability				
	2025	-	-	-	23,766
	2024	-	-	-	41,364
				<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
<b>14</b>	<b>Other assets</b>				
	Financial:				
	Rent receivables			325,688	239,322
	ECL provision			(296,000)	(222,570)
				29,688	16,752
	Non financial: Prepaid Expenses				
	Insurance prepaid			37,043	52,496
				66,731	69,248
	<i>*Prepaid expenses include prepaid insurance for the year.</i>				
	<b>ECL provision</b>				
	Opening balance			(222,570)	(120,110)
	Impairment charge for the year			(73,430)	(102,460)
	Closing balance			(296,000)	(222,570)
				<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
<b>15</b>	<b>Investment property</b>				
	Beginning balance			27,240,747	25,586,557
	Additions			-	903,192
	Improvement			251,994	-
	Disposals			-	(1,790,000)
	Fair value gain			2,101,793	2,540,998
	Non-Current			29,594,534	27,240,747
	Details of the investment property is in note 4.2.				
	Non-Current			29,594,534	27,240,747

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

16 Property and equipment	Office equipment N'000	Fixtures & fittings N'000	Total N'000	
<b>Cost</b>				
At 1 January 2024	454,499	191,580	646,079	
Additions	273,155	17,198	290,353	
At 31 December 2024	727,654	208,778	936,432	
<b>Accumulated depreciation</b>				
At 1 January 2024	329,685	183,255	512,940	
Charge for the year	92,926	12,282	105,207	
At 31 December 2024	422,611	195,537	618,147	
<b>Carrying amount at 1 January 2024</b>	124,814	8,325	133,139	
<b>Carrying amount at 31 December 2024</b>	305,043	13,241	318,285	
	<b>Office equipment N'000</b>	<b>Furnitures &amp; fittings N'000</b>	<b>Asset Under Construction N'000</b>	<b>Total N'000</b>
<b>Cost</b>				
At 1 January 2025	727,654	208,778	-	936,432
Additions	36,326	350,657	203,876	590,859
Reclassifications	(50,053)	50,053	-	-
At 31 December 2025	713,927	609,488	203,876	1,527,291
<b>Accumulated depreciation</b>				
At 1 January 2025	422,611	195,537	-	618,148
Charge for the year	136,411	51,454	-	187,865
At 31 December 2025	559,022	246,991	-	806,013
<b>Carrying amount at 1 January 2025</b>	305,043	13,241	-	318,284
<b>Carrying amount at 31 December 2025</b>	154,905	362,497	-	721,278

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>	
<b>17 Other liabilities</b>			
<b>Financial liabilities:</b>			
Caution deposits	9,050	4,844	
Accrued audit fees	17,500	5,138	
Accrued expenses			
<i>*This include; management fees, trustee fees, registrar fees, property managers fee, custody fees, regulatory fees</i>	95,272	142,621	
	<u>121,822</u>	<u>152,603</u>	
	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>	
<b>18 Rent received in advance</b>			
Opening balance	703,376	432,140	
Additions	-	271,236	
Reclassifications to revenue	(36,901)	-	
	<u>666,475</u>	<u>703,376</u>	
Current	550,644	587,545	
Non-Current	115,831	115,831	
	<u>666,475</u>	<u>703,376</u>	
<b>19</b>			
<b>(i) Unit holders' contribution</b>			
<b>Minimum, Issued and fully paid</b>			
2,668,269,500 units of N10 each	<u>26,682,695</u>	<u>26,682,695</u>	
<b>(ii) Net assets attributable to unitholders</b>	<b>Unitholders' contributions</b>	<b>Retained earnings</b>	<b>Total</b>
<b>At 1 January 2025</b>	<u>26,682,695</u>	<u>5,846,056</u>	<u>32,528,751</u>
Increase in net assets attributable to unit holders	-	4,334,898	4,334,898
Prior Year Adjustment	-	(24,418)	(24,418)
<i>*Withholding tax on fixed deposit placement</i>			
Lease liability adjustments	-	31,320	31,320
		<u>4,341,800</u>	<u>4,341,800</u>
Distributions paid to unit holders	-	(1,392,836)	(1,392,836)
		<u>2,948,964</u>	<u>2,948,964</u>
<b>At 31 December 2025</b>	<b><u>26,682,695</u></b>	<b><u>8,795,020</u></b>	<b><u>35,477,715</u></b>

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

			<b>31 December 2025</b>	<b>31 December 2024</b>
<b>20</b>	<b>Cash generated from operations</b>	Notes	<b>N'000</b>	<b>N'000</b>
	Reconciliation of profit after tax to cash generated from operations:			
	Increase in net assets attributable to unit holders		4,334,898	4,697,618
	Adjustment for:			
	– Fair value gain on investment property	15	(2,101,793)	(2,540,998)
	– Depreciation on right of use assets	13	11,150	4,931
	– Depreciation on property & equipment	16	187,865	105,207
	– Finance cost on leases	13	4,991	3,577
	– Net (gain)/loss on financial assets held for trading	8	(7,906)	16,465
	– Interest income on assets measured at fair value through profit or loss	7	(68,290)	(330,710)
	– Interest income on deposit with banks	7	(1,206,691)	(767,778)
	– Impairment charge on receivables		73,430	102,460
	– Net gain on disposal of investment property		(1,400)	(410,000)
	– WHT burden		8,990	-
	Changes in working capital:			
	– Increase in other assets		(70,913)	(142,189)
	– (Decrease)/increase in other liabilities		(48,379)	22,020
	– (Decrease)/increase in rent received in advance		(36,901)	271,236
			<u>1,079,051</u>	<u>1,031,839</u>

**21 Related party transactions**

The Trust is managed by Stanbic IBTC Asset Management Limited (the 'Fund Manager'), an investment management company incorporated in Lagos.

During the year, the following related party activities occurred:

<b>Entity</b>	<b>Relationship</b>	<b>Type of transaction</b>	<b>2025 N'000</b>	<b>2024 N'000</b>
Stanbic IBTC Asset Management Limited	Fund manager	Management fee	137,704	120,981
UACN Property Development	Property manager	Property management fee	51,539	30,085
UBA Trustees Limited	Trustee	Trustee fee	2,150	5,131
FBN Trustees Limited	Trustee	Trustee fee	2,150	5,131

The amount payable to the related parties as at the end of the year is as follows; Fund Manager (SIAML) -35.5million, Property Manager - 21.08million and Trustees - 4.3million

Key management staff has been defined as members of management staff of the Fund Manager and its other related companies. No compensation was paid to key management staff during the year (December 2024: Nil).

**Units held by related parties to the Trust are listed below:**

	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>Units</b>	<b>Units</b>
Direct - UPDC	<u>133,413</u>	<u>133,413</u>

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**22 Earnings per unit**

(i) Basic

Basic earnings/(loss) per unit is calculated by dividing the net (loss) / profit after tax attributable to the unit holders of the Trust by the number of units in issue during the year.

	<b>31 December 2025</b>	<b>31 December 2024</b>
Increase in net assets attributable to unit holders of the Trust (N'000)	4,334,898	4,697,618
Number of ordinary units in issue (000)	<u>2,668,270</u>	<u>2,668,270</u>
Basic earnings per unit (expressed in Naira per share)	<u>1.62</u>	<u>1.76</u>

(ii) Diluted

The Trust does not have potential units with convertible options and therefore there is no dilutive impact on the profit attributable to the equity holders.

Diluted earnings per unit (expressed in Naira per unit)	<u>1.62</u>	<u>1.76</u>
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**23 Distributions**

	<b>31 December 2025 N'000</b>	<b>31 December 2024 N'000</b>
Interim/proposed distribution	<u>1,467,548</u>	<u>1,334,135</u>

In line with the provisions of the Trust Deed, minimum of 90% of the Trust's distributable income will be distributed to unit holders at the end of every financial year. Distributable income represents the "Increase in net assets attributable to unit holders" add/less unrealised fair value loss/gain on investment property plus realised gain on disposed investment property.

Final distributions are not accounted for until they have been ratified by the Investment Committee. 2025 Interim distribution was approved by the Joint Trustees. Interim distribution of 22 Kobo (Dec 2024 was 20 Kobo) per share totalling N592.36million (Dec 2024 was N533.65million) was accrued for the six months ended 30 June 2025 while 33 Kobo totalling N875.19million (Dec 2024 was N800.4Million) is being proposed as final distribution for the year ended 31 December 2025.

The proposed final distribution of 33 kobo has been accounted for, as an appropriation of retained earnings in the year ending 31 December 2025

**Reconciliation of distribution**

	<b>N'000</b>	<b>N'000</b>
Increase in net assets attributable to unit holders	4,334,898	4,697,618
Less Net gain on disposal of investment property	-	(410,000)
Less replacement provision for Pearl Hostel	(299,173)	(37,828)
Less Provision for Sinking Fund (20%*Rental Income)	(347,341)	(287,173)
(Less)/add fair value (gain)/loss on investment property	<u>(2,101,793)</u>	<u>(2,540,998)</u>
Distributable income	<u>1,586,591</u>	<u>1,421,619</u>
Proposed distribution at 92.497% of distributable income	<u>1,467,548</u>	<u>1,334,135</u>
Interim distribution declared	592,356	533,654
Distribution proposed	875,192	800,481
Total distribution	<u>1,467,548</u>	<u>1,334,135</u>
Interim distribution declared per unit (Naira)	0.22	0.20
Distribution proposed per unit (Naira)	0.33	0.30
Total distribution per unit (Naira)	<u>0.55</u>	<u>0.50</u>

**UPDC REAL ESTATE INVESTMENT TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**24 Capital commitments**

The Trust had no capital commitments as at end of the year ended 31 December 2025 (31 December 2024: Nil).

**25 Contingent liabilities**

The Trust had no contingent liabilities as at end of the year ended 31 December 2025 (31 December 2024: Nil).

**26 Events after the reporting period**

Stanbic IBTC Asset Management Limited has made a strategic management decision to step down as the Fund Manager of the UPDC REIT and SFS Capital appointed as the new Fund Manager. This decision aligns with best corporate governance practices and is intended to prevent potential conflicts of interest following the SEC's approval of Stanbic IBTC Asset Management's Real Estate Development Fund.

**27 Non-audit service disclosure.**

During the year under review, Forvis Mazars did not provide any non-audit services to the entity.(2024: Nil)

## UPDC REAL ESTATE INVESTMENT TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Other national disclosure:

#### Value added statement

	31 December 2025 N'000	%	31 December 2024 N'000	%
Revenue	5,122,783		5,468,886	
Bought-in-materials and services (local)	(650,181)		(650,287)	
<b>Value added</b>	<b>4,472,602</b>	<b>100</b>	<b>4,818,599</b>	<b>100</b>

#### Distribution of value added:

##### To Fund Manager:

Fund manager's fee	137,704	3	120,981	3
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##### Retained in the fund:

Increase in net assets attributable to unit holders	4,334,898	97	4,697,618	97
	<b>4,472,602</b>	<b>100</b>	<b>4,818,599</b>	<b>100</b>

**UPDC REAL ESTATE INVESTMENT TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**Other national disclosure:  
Five-year financial summary**

	Dec 2025	Dec 2024	Dec 2023	Dec 2022	Dec 2021
	N'000	N'000	N'000	N'000	N'000
<b>ASSETS</b>					
Cash and cash equivalents	5,778,873	5,693,472	3,671,267	1,977,318	2,501,503
Financial assets held for trading	84,252	76,330	92,811	1,605,472	1,711,152
Other assets	66,731	69,248	35,599	54,829	33,118
Property and equipment	721,278	318,285	133,138	91,372	77,292
Right of use assets	44,110	28,012	32,943	17,351	18,177
Investment property	29,594,534	27,240,747	25,586,557	23,026,444	21,480,000
<b>TOTAL ASSETS</b>	<b>36,289,778</b>	<b>33,426,094</b>	<b>29,552,315</b>	<b>26,772,786</b>	<b>25,821,242</b>
<b>LIABILITIES</b>					
Other liabilities	812,063	897,343	600,509	650,255	892,212
<b>Net assets attributable to unitholders</b>	<b>35,477,715</b>	<b>32,528,751</b>	<b>28,951,806</b>	<b>26,122,531</b>	<b>24,929,030</b>
<b>Represented by:</b>					
Unit holders' contributions	26,682,695	26,682,695	26,682,695	26,682,695	26,682,695
Retained earnings	8,795,020	5,846,056	(560,164)	(560,164)	(1,753,665)
	<b>35,477,715</b>	<b>32,528,751</b>	<b>26,122,531</b>	<b>26,122,531</b>	<b>24,929,030</b>
<b>INCOME STATEMENT</b>					
Rental income	1,736,703	1,435,865	1,435,242	1,261,744	1,259,006
Interest income on cash at bank	1,206,691	767,778	367,298	204,780	126,980
Interest income on assets measured at fair value through profit or loss	68,290	330,710	91,087	168,551	258,489
Fair value gain on investment property	2,101,793	2,540,998	2,474,594	552,221	(5,091,850)
Net gain/(loss) on financial assets held for trading	7,906	(16,465)	669	(46,947)	(323,844)
Net gain on disposal of scrap Items/investment property	1,400	410,000	-	22,438	(6,003)
Impairment charge on receivables	(73,430)	(102,460)	(30,502)	65,415	(141,483)
Operating expenses	(714,455)	(668,808)	(535,843)	(551,344)	(561,703)
	<b>4,334,898</b>	<b>4,697,618</b>	<b>3,802,545</b>	<b>1,676,858</b>	<b>(4,480,408)</b>