



FAMILY HOMES FUNDS LIMITED
Abuja, Nigeria
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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**FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
CORPORATE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

COUNTRY OF INCORPORATION	Nigeria
COMPANY REGISTRATION NUMBER	RC1360519
TAX IDENTIFICATION NUMBER	19898139-0001
DIRECTORS	
Chairman	Mr. Ademola Adebise
Managing Director	Mr. Abdul Mutallab Mukhtar
Executive Director	Dr. Emeka Henry Inegbu
Executive Director	Mr. Abdullahi Musa
Non-Executive Director	Dr. Eniang Essien Nkang
Non-Executive Director	Mrs. Bilkisu Usman
Non-Executive Director	Mr. Sam N. Okagbue, FCARB
Non-Executive Director	Arc. Musa Ahmed
Non-Executive Director	Mrs. Ijeoma Taylaur (Representative of NSIA Property Investment Company)
Non-Executive Director	Mr. Abdulqawil Bello (Representative of Federal Ministry of Finance Incorporated)
Non-Executive Director	Ms. Aisha Shehu Omar (Appointed 20 November 2024 (Representative of Federal Ministry of Finance)
COMPANY SECRETARY	Mr. Franklin J. Eseagwu 3rd Floor Sinoki House Samuel Ademulegun Avenue Central Business District 900211 Abuja
REGISTERED OFFICE	3rd Floor Sinoki House Samuel Ademulegun Avenue Central Business District 900211 Abuja
INDEPENDENT AUDITOR	Ernst & Young 10th & 13th Floor UBA House 57 Marina, Lagos.
EXTERNAL SOLICITOR	Banwo & Ighodalo Plot 2669, Afri-Investment House 50 Aguiyi Ironsi Street, Wuse Abuja
PRINCIPAL BANKER	CBN Treasury Single Account

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are pleased to present their annual report on the affairs of Family Homes Funds Limited ("the Company"), together with the independent auditor's report for the year ended 31 December 2024.

LEGAL FORM

The Company was incorporated as a private limited liability company in Nigeria under the Companies and Allied Matters Act 2020 as Family Homes Funds Limited in 8 September 2016.

PRINCIPAL ACTIVITIES

The Company is established to invest in and to purchase, acquire, hold, develop, work and turn to account any land (of any tenure), landed property or real estate of any kind whatsoever (including proprietary rights) including but not limited to homes, housing estates, buildings, properties and all manner of real property in Nigeria and related infrastructure and equipment. The Company also provide funding for building of low-cost houses for low-income earners.

STATE OF AFFAIRS

In the opinion of the directors, the state of the Company's affairs is satisfactory and there has been no material change since the reporting date, which would affect the financial statements as presented.

RESULT FOR THE YEAR

	2024 N'000	2023 N'000
Revenue from contracts with customers	7,594,715 =====	6,351,492 =====
Profit before taxation	4,079,169	4,059,361
Taxation	(56,159) -----	(396,108) -----
Profit for the year	4,023,010 =====	3,663,253 =====
Total comprehensive profit for the year	4,023,010 =====	3,663,253 =====

DIVIDEND

A final dividend in respect of the year ended 31 December 2024 of -----% of profit after tax (2023: 5%), amounting to a total dividend of N----- (2023: N183,162,700) was proposed at the board meeting held on ----- and subject to approval at the Annual General Meeting. The dividend is subject to withholding tax at appropriate rate.

PROPERTY, PLANT AND EQUIPMENT

Information relating to movement in property, plant and equipment is as shown in note 13 to the financial statements. In the opinion of the Directors, the market value of the Company's assets is not less than the value shown in the financial statements.

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
REPORT OF THE DIRECTORS - Continued
FOR THE YEAR ENDED 31 DECEMBER 2024

DIRECTORS

The names of the Directors at the date of this report and of those who held office during the financial year are as follows;

Chairman*	Mr. Ademola Adebise
Managing Director	Mr. Abdul Mutallab Mukhtar
Executive Director*	Dr. Emeka Henry Inegbu
Executive Director*	Mr. Abdullahi Musa
Non-Executive Director*	Dr. Eniang Essien Nkang
Non-Executive Director*	Mrs. Bilkisu Usman
Non-Executive Director*	Mr. Sam N. Okagbue, FCARB
Non-Executive Director*	Arc. Musa Ahmed
Non-Executive Director*	Mrs. Ijeoma Taylaur (Representative of NSIA Property Investment Company)
Non-Executive Director*	Mr. Abdulqawil Bello (Representative of Federal Ministry of Finance Incorporated)
Non-Executive Director	Ms. Aisha Shehu Omar (Appointed 20 November 2024 (Representative of Federal Ministry of Finance)

* Following the official pronouncement by the Federal Government of Nigeria, the Executive and Non-Executive Directors of the Family Homes Funds Limited were appointed with effect from 23rd July 2024 and subsequently, Ms. Aisha Shehu Omar was reappointed with effect from 20th November 2024.

DIRECTORS INTEREST IN CONTRACTS

None of the directors has notified the Company for the purpose of Section 303(1) of the Companies and Allied Matters Act, 2020 of any disclosable interest in contracts with which the Company was involved during the year ended 31 December 2024 (2023: Nil).

DIRECTORS INTEREST IN SHARES

For the purpose of section 301 of the Companies and Allied Matters Act, 2020, none of the directors hold shares in the Company.

SUBSTANTIAL INTEREST IN SHARES

The issued and fully paid share capital of the Company as at 31 December 2024 was beneficially owned by:

	2024	
	Number of shares	% holding
Ministry of Finance Incorporated	510,000	51
NSIA Property Investment Company Limited	490,000	49
	-----	----
	1,000,000	100
	=====	===
	2023	
	Number of shares	% holding
Ministry of Finance Incorporated	510,000	51
NSIA Property Investment Company Limited	490,000	49
	-----	----
	1,000,000	100
	=====	===

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
REPORT OF THE DIRECTORS - Continued

CHARITABLE CONTRIBUTIONS

In compliance with sections 43 of the Companies and Allied Matter Acts, 2020, the Company did not make any donation or gift to any political association or for any political purpose during the year.

EMPLOYMENT AND EMPLOYEES

Employment of physically challenged persons

It is the policy of the Company that there is no discrimination in considering applications for employment including those from physically challenged persons. All employees whether or not physically challenged are given equal opportunities to develop their experience and knowledge to qualify for promotion in furtherance of their careers. At 31 December 2024 no physically challenged person was employed by the Company.

Employees involvement and training

The Company encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. Towards this end, the Company provides opportunities for employees to deliberate on issues affecting the Company and employees' interests, with a view to making inputs to decisions thereon. The Company places a high premium on the development of its manpower. Consequently, the Company sponsors its employees for various training courses both in Nigeria and abroad.

Health, Safety and Welfare of Employees

The Company maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Health, safety and fire drills are regularly organized to keep employees alert at all times. Employees are adequately insured against occupational hazards. In addition, the Company provides medical facilities to its employees and their immediate families at its expense.

EVENTS AFTER THE REPORTING DATE

As stated in Note 38, no events have occurred since the reporting date which would have a material effect on the financial statements at that date or which would need to be mentioned in the financial statements in order to make them not misleading as to the financial position or result of operations.

FORMAT OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The directors consider that the format adopted is the most suitable for the Company.

AUDITORS

The auditor, Ernst & Young, having indicated their willingness, will continue in office as the auditor in accordance with Section 401(2) of the Companies and Allied Matters Act 2020. A resolution will be proposed at the Annual General Meeting authorizing the Directors to fix their remuneration.

BY ORDER OF THE BOARD

COMPANY SECRETARY

Mr. Franklin J. Eseagwu
FRC/2019/NBA/00000019878

_____ 2025

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The Companies and Allied Matters Act, 2020, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position and financial performance of the Company in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, compliance with the requirements of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023;
- b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria (Amendment) Act, 2023 and the requirements of the Companies and Allied Matters Act, 2020.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its financial performance for the year ended 31 December 2024. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Abdul Mutallab Mukhtar
Managing Director
FRC/2023/PRO/DIR/003/100126

Ademola Adebise
Chairman
FRC/2013/ICAN/00000002115

2025

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2024 that:

- a. We have reviewed the audited financial statement, and based on our knowledge:
 - (i) 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;
 - (ii) 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 operation of the Company as of and for, the periods covered by the audited financial statements.
- b. We are responsible for establishing and maintaining internal controls and we have:
 - i) designed internal controls to ensure that material information relating to the Company is made known to us during the year ended 31 December 2024;
 - ii) evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of the audited financial statements; and
 - iii) presented in the report our conclusion about the effectiveness of our internal controls based on evaluation as that date.
- c. We disclosed to the auditor of the Company:
 - i) that there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data; and has identified for the Company's auditor, any material weaknesses in internal controls; and
 - ii) that there are no fraud ,whether or not material, that involves management or other employees who have a significant role in Company's internal control; and
- d. That there were no significant changes in internal controls or in other factors that significantly affected internal controls subsequent to the date of evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Abdul Mutallab Mukhtar
Managing Director
FRC/2023/PRO/DIR/003/100126

Nkeiru Arum FCA
GM, Finance
FRC/2019/ICAN/00000019990

_____ 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF FAMILY HOMES FUNDS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of Family Homes Funds Limited ('the Company'), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Family Homes Funds Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Family Homes Funds Limited Annual Report for the year ended 31 December 2024", which includes the Report of the Directors, Statement of Corporate Responsibility for the Financial Statements, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements and Other National Disclosures. The other information 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 an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF FAMILY HOMES FUNDS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- ▶ Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF FAMILY HOMES FUNDS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - Continued**

- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth schedule of the Companies and Allied Matters Act, 2020, 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. in our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books; and
- iii. the Company's statement of financial position and statement of profit or loss and other comprehensive income account are in agreement with the books of account.

Funmi Ogunlowo FCA
FRC/2013/PRO/ICAN/004/00000000681
For Ernst & Young
Lagos, Nigeria

_____ 2025

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Notes	N'000	N'000
Revenue from contracts with customers	5	7,594,715	6,351,492
Finance Income	6	6,675,732	4,474,542
Other operating income	7	166,955	19,075
Operating and administrative expenses	8	(4,129,834)	(2,904,493)
Finance cost	11	(6,228,399)	(3,881,255)
Profit before tax		4,079,169	4,059,361
Income tax expense	12.1	(56,159)	(396,108)
Profit for the year		4,023,010	3,663,253
		=====	=====
Other comprehensive income		-	-
Total comprehensive profit for the year		4,023,010	3,663,253
		=====	=====
Basic earnings per share (Naira)	26	4,023	3,663
		=====	=====
See notes to the financial statements			

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		2024 N'000	2023 N'000
Assets	Notes		
Non-current assets			
Property plant and equipment	13	727,756	232,335
Intangible assets	14	88,800	174,388
Right-of-use assets	15	34,780	78,556
Investment properties	16	1,141,371	1,259,966
Sinking fund investment	29.2	5,668,365	5,557,888
Loan receivables	17	77,884,428	67,729,377
Deferred tax asset	12.5	38,788	22,760
		<u>85,584,288</u>	<u>75,055,270</u>
Current assets			
Property inventories	18	20,531,738	21,743,116
Other receivables	19	2,290,153	2,668,705
Other current investments	20	60,003,634	36,386,827
Cash and bank balances	21	639,953	18,602,018
		<u>83,465,478</u>	<u>79,400,666</u>
Total assets		<u>169,049,766</u>	<u>154,455,936</u>
Equity and Liabilities			
Equity			
Share capital	22	1,000	1,000
Capital grant	23	92,500,000	89,000,000
Retained earnings	25	11,067,013	7,227,166
Total equity		<u>103,568,013</u>	<u>96,228,166</u>
Non-current liabilities			
Interest bearing loans and borrowings	29	49,742,799	40,959,309
Deferred income government grant	24	372,788	5,880,645
Total non-current liabilities		<u>50,115,587</u>	<u>46,839,954</u>
Current liabilities			
Other payables	27	720,899	697,146
Contract liabilities	28	7,074,600	5,597,816
Interest bearing loans and borrowings	29	7,498,480	4,514,768
Income tax payable	12.2	72,187	578,086
Total current liabilities		<u>15,366,166</u>	<u>11,387,816</u>
Total liabilities		<u>65,481,753</u>	<u>58,227,770</u>
Total equity and liabilities		<u>169,049,766</u>	<u>154,455,936</u>

The financial statements were approved by the Board of Directors on _____ 2025 and signed on its behalf by:

Ademola Adebise
Chairman
FRC/2013/ICAN/00000002115
See notes to the financial statements

Abdul Mutallab Mukhtar
Managing Director
FRC/2023/PRO/DIR/003/100126

Nkeiru Arum FCA
GM, Finance
FRC/2019/ICAN/00000019990

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Capital grant	Retained earnings	Total equity
	N'000	N'000	N'000	N'000
At 1 January 2023	1,000	85,500,000	3,636,424	89,137,424
Capital grant inflow	-	3,500,000	-	3,500,000
Profit for the year	-	-	3,663,253	3,663,253
Final dividend	-	-	(72,511)	(72,511)
	-----	-----	-----	-----
At 31 December 2023	1,000	89,000,000	7,227,166	96,228,166
	=====	=====	=====	=====
 At 1 January 2024	 1,000	 89,000,000	 7,227,166	 96,228,166
Capital grant inflow	-	3,500,000	-	3,500,000
Profit for the year	-	-	4,023,010	4,023,010
Final dividend	-	-	(183,163)	(183,163)
	-----	-----	-----	-----
At 31 December 2024	1,000	92,500,000	11,067,013	103,568,013
	=====	=====	=====	=====

See notes to the financial statements.

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 N'000	2023 N'000
Operating activities	Note		
Profit before tax		4,079,169	4,059,362
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	13	133,145	91,434
Depreciation of right-of-use assets	15	43,776	59,572
Amortization of intangible assets	14	121,580	40,375
Loss on disposal of property, plant and equipment	8	-	8,856
Profit from sales of housing units	5.1	(62,139)	-
Impairment/(reversal) of loan receivables	17.1	897,627	(9,446)
Withholding tax credit note utilised	12.2	(429,028)	-
Proposed final dividend for 2023	27.2	(183,163)	(72,511)
Working capital adjustments:			
Increase/(decrease) in property inventories		1,211,378	(1,946,731)
Increase/(decrease) in other receivables		378,552	(781,151)
Increase in other current investments		(23,616,807)	(7,133,831)
Increase in other payables		23,753	(245,671)
Increase in contract liabilities		1,476,784	2,341,981
		(15,925,373)	(3,587,761)
Finance income	6	(6,675,732)	(4,474,542)
Finance costs	11	3,320,941	3,736,357
Income taxes paid	12.2	(149,058)	(500,037)
Dividend paid	27.2	-	(123,765)
Net cash flows used in operating activities		(19,429,222)	(4,949,748)
		=====	=====
Investing activities			
Purchase of intangible assets	14	(35,992)	(72,041)
Purchase of property, plant and equipment	13	(628,566)	(163,780)
Proceed from sale of property, plant and equipment		-	7,349
Proceed from sale of housing units		180,734	-
Advance lease payment	15	-	(80,683)
(Decrease)/increase in loan receivables		(11,052,678)	1,417,668
Finance income	6	6,675,732	4,474,542
Receipt of deferred government grants	24	-	1,300,000
Disbursement of government grants	24	(5,507,857)	(219,355)
Net payment)/receipt on sinking funds investment		(110,477)	695,957
Net cash flows (used in)/from investing activities		(10,479,104)	7,359,657
		=====	=====
Financing activities			
Capital grant	23	3,500,000	3,500,000
Proceeds from borrowings	29.1	12,574,200	18,142,000
Repayment of borrowings	29.1	(3,322,333)	(2,911,886)
Interest on lease rental	29.3	6,068,455	3,736,357
Lease rental paid on bonds	29.3	(3,553,120)	(3,880,720)
Finance costs	11	(3,320,941)	(3,736,357)
Net cash flows from financing activities		11,946,261	14,849,394
		=====	=====
Net increase in cash and cash equivalents		(17,962,065)	17,259,303
Cash and cash equivalents at 1 January		18,602,018	1,342,715
Cash and cash equivalents at 31 December	21	639,953	18,602,018
		=====	=====

See notes to the financial statements

FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2024

1 General information

1.1 Description of business

Family Homes Funds Limited was incorporated as a private limited liability Company in Nigeria on 8 September 2016. The Company is owned by Nigeria Sovereign Investment Authority and Ministry of Finance Incorporated. The Company is established to invest in and to purchase, acquire, hold, develop, work and turn to account any land (of any tenure), landed property or real estate of any kind whatsoever (including proprietary rights) including but not limited to homes, housing estates, buildings, properties and all manner of real property in Nigeria and related infrastructure and equipment.

Shareholders' information

2024

Shareholder	Number of Shares	%
Ministry of Finance Incorporated	510,000	51
NSIA Property Investment Company Limited	490,000	49
	-----	----
	1,000,000	100
	=====	====

2023

Shareholder	Number of Shares	%
Ministry of Finance Incorporated	510,000	51
NSIA Property Investment Company Limited	490,000	49
	-----	----
	1,000,000	100
	=====	====

1.2 Composition of financial statements

The financial statements are drawn up in Naira, the functional currency of Family Homes Funds Limited, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023 as applicable accounting presentation. The financial statements comprise:

- ▶ Statement of profit or loss and other comprehensive income
- ▶ Statement of financial position
- ▶ Statement of changes in equity
- ▶ Statement of cash flows
- ▶ Notes to the financial statements

1.3 Basis for preparation

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), the provisions of the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the provision of the Companies and Allied and Matters Act, 2020 as applicable. The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

2 Summary of material accounting policies

The following are the material accounting policies applied by the Company in preparing its consolidated financial statements:

a) **Current versus non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability
- ▶ The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is material to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is material to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable

2 Summary of material accounting policies-continued

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is material to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

c) Foreign Currency transactions

The Company's financial statements are presented in Naira, which is also the Company's functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.1 Revenue recognition

2.1 Revenue from contract with customers

The Company is in the business of financing the acquisition, development, sale and management of commercial and residential accommodation and retail space. These contracts are divided into two major revenue streams namely:

- ▶ Interest income and management fees earned from loans
- ▶ Sales of goods - Sale of property inventories

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.1. The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

2 Summary of material accounting policies-continued

Interest income and management fees earned from loans

The revenue from the interest and management fees on loans is recognized once income is earned at the end of each period, generally on the loan facility. The Company considers whether the promises in the contract have been fulfilled, to which a portion of the transaction price (i.e., interest and management fees) needs to be allocated. In determining the transaction price for the interest income, the Company considers the effects of variable consideration, the existence of material financing components, noncash consideration, and consideration payable to the customer (if any).

Sale of goods - Sale of property inventories

Revenue from Sale of Property Stock is recognised at the point in time when control of the asset is transferred to the customer, generally on transfer of the property. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of property, the Company considers the effects of variable consideration, the existence of material financing components, noncash consideration, and consideration payable to the customer (if any).

Significant financing component

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a material financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Contract Balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise; site Labour costs (including site supervision); costs of materials used in construction; costs of design, cost of depreciation on plant and machinery and technical assistance that is directly related to the contract.

The Company contracts are typically negotiated for the construction of a single asset or a group of assets which are closely interrelated or interdependent in terms of their design, technology and function. In certain circumstances, the percentage of completion method is applied to the separately identifiable components of a single contract or to a group of contracts together in order to reflect the substance of a contract or a group of contracts.

2 Summary of material accounting policies-continued

Assets covered by a single contract are treated separately when:

- a) The separate proposals have been submitted for each asset
- b) Each asset has been subject to separate negotiation and the contractor and customer have been able to accept or reject that part of the contract relating to each asset
- c) The costs and revenues of each asset can be identified

A group of contracts are treated as a single construction contract when:

- (a) the group of contracts is negotiated as a single package;
 - (b) the contracts are so closely interrelated that they are, in effect, part of a single project with an overall profit margin,
 - (c) the contracts are performed concurrently or in a continuous sequence
- The three criteria must be met before combination can occur.

2 Summary of material accounting policies

Losses on contracts are recognised in the period in which they first become foreseeable. Contract losses are determined to be the amount by which estimated direct and indirect costs of the contract exceed the estimated total revenues that will be generated by the contract. During the period until the percentage of completion calculation is completed, all contract costs are accumulated in contract work in progress. The costs of the contract attributable to the stage of contract completion are transferred to cost of sales. Where the costs incurred plus recognised profits are greater than the sum of the recognised losses and progress billings, then this amount is shown in debtors as amounts due from customers for contract work. Where the sum of recognised losses and progress billings is greater, then this amount is shown in creditors as amounts due to customers for contract work.

2.2 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Profit or Loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2 Summary of material accounting policies-continued

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes direct costs, appropriate allocations of materials and other overheads associated with the production of the assets, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Office furniture & fittings	25%
Motor vehicles	25%
Equipment	25%

Expenses on repairs and maintenance for instance day to day service cost and on-going maintenance cost are recognized in profit or loss immediately. Major repairs and overhaul costs are capitalized if it will result in future economic benefits. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

Losses or gains on disposals of assets are recognized in the statement of profit or loss and other comprehensive income under other gains and losses. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.5 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.6 Property Inventories

Property inventories are stated at the lower of cost and estimated net realisable value. Cost is based on standard costing that comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the property inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2 Summary of material accounting policies-continued

2.7 Taxation

Taxation represents the sum of income tax payable and deferred tax.

2.7.1 Income and deferred tax for the year

Income and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where income tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.7.2 Income tax

Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated based on Finance Act and tax rates that have been enacted or substantively enacted by the end of the reporting date.

2.7.3 Deferred taxation

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

Provision for deferred taxation is made by the liability method and calculated at the current rate of taxation on the differences between the net book value of qualifying property, plant and equipment and their corresponding tax written down values. Also, consideration is given for provision for retirement benefit which have not been paid in the year.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realized based on the tax rates enacted by the end of the reporting period.

2.8 Foreign currencies

All transactions in foreign currencies are recorded in Naira at the rate of exchange ruling at the dates of the transactions. Monetary items are converted to Naira at the rates of exchange ruling at the reporting date. All differences arising there from are taken to the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.9 Dividends

Dividends on ordinary shares to shareholders are recognized in equity in the period in which they are paid or, if earlier, approved by the shareholders at the Annual General Meeting.

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2 Summary of material accounting policies-continued

2.10 Retirement benefits

2.10.1 Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation and sick leave, bonuses and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

2.10.2 Defined contribution plan

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Retirement benefit plans for members of staff are structured through a defined contributory pension scheme, which is independent of the Company's finances and is managed by Pension Fund Administrators. The scheme, which is funded by contributions from both employer and employees at each 10% and 8% respectively, is consistent with the Pension Reform Act 2014.

2.10.3 Defined benefit plan

For defined retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out periodically so that a provision for the present value of the estimated cost for liabilities due at the reporting date in respect of employees' terminal gratuities based on qualifying years of service and applicable emoluments as per operating collective agreement is being made in the statement of financial position.

2.11 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2 Summary of material accounting policies-continued

2.11 Financial instruments - Continued

2.11.1 Financial assets

Purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

2.11.1.1 Amortized cost and effective interest method

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

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "investment income" line item.

2.11.1.2 Classification of financial assets

The Company's financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.11.1.2.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. The assets in this category include trade and other receivables, contract receivables and retentions, cash and cash equivalents.

2.11.1.2.2 Trade and other receivables

Trade and other receivables are initially recognized at fair value, and are subsequently classified as loans and receivables and measured at amortized cost using the effective interest rate method. The provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of recoverability based on historical trend analyses and events that exist at reporting date. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

2 Summary of material accounting policies-continued

2.11 Financial instruments - Continued

2.11.1.2.3 Contract receivables and retentions

Contract receivables and retentions are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method. Contract receivables and retentions comprise amounts due in respect of certified or approved certificates by the client or consultant at the reporting date for which payment has not been received, and amounts held as retentions on certified certificates at the reporting date. Contract receivables are stated after deduction of specific allowance for any debt considered doubtful of collection. The allowance for bad and doubtful debts is based on the estimated irrecoverable amount which is determined based on the ageing of the receivable balance and historical experience.

2.11.1.2.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with maturity not more than 3 months that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. All short-term investments are invested with major financial institutions in order to manage credit risk.

2.11.1.2.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore, for financial assets that are classified as at FVTPL, the foreign exchange component is recognized in profit or loss; and for foreign currency denominated debt instruments measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the financial assets and are recognized in the 'other gains and losses' line item in the statement of profit or loss.

2.11.1.2.6 Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- material financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

2 Summary of material accounting policies-continued

2.11 Financial instruments - Continued

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.11.1.2.7 De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.11.2 Financial liabilities

Financial liabilities subsequently measured at amortized cost.

The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

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

2 Summary of material accounting policies-continued

2.11 Financial instruments - Continued

2.11.2.1 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item in the statement of profit or loss and other comprehensive income. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

2.11.2.2 De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.12 Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2 Summary of material accounting policies-continued

2.13 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.14 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The company assesses assets or group of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level (Cash generating unit) at which there are identifiable cash flows that are largely independent of the cash flows of other group of assets. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods can be reversed up to the original carrying amount, had the impairment loss not been recognised. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2 Summary of material accounting policies-continued

2.15 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for its lease.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases. The company also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application.

i. Right-of-use assets

The Company recognises right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use asset includes the initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as shown below:

Residential buildings	2 years
Plant and machines	2 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of non-financial assets.

ii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iii. Lease liabilities

At the commencement date of the lease, the Company had lease liabilities measured at the present value of lease payments to be made over the lease term. The lease agreement contained/included any exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease.

2.16 Share capital and other reserves

Share capital are ordinary shares classified as equity. Incremental external costs directly attributable to the issue of new shares or share options are recognised in equity as a deduction, net of tax from the proceeds. Other reserves are reserves arising from the capital grant from government.

2.17 Finance income and costs

Finance income comprises interest income on funds invested.

Finance costs includes interest on borrowings, lease rental expenses on Sukuk bonds and loan charges.

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3 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1: Classification of liabilities as current or non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are not expected to have a material impact on the Company's financial statements

Lease liability in a sale and leaseback - Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendments are not expected to have a material impact on the Company's financial statements

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are not expected to have a material impact on the Company's financial statements

4 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability - Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

4 Standards issued but not yet effective - Continued

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards..

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Company's financial statements.

4.1 Significant accounting judgements, estimates and assumptions

4.1.1 Judgments

When the Company determines that a performance obligation is satisfied over time, the standard requirement is to select a single revenue recognition method for the relevant performance obligation to measure progress.

The Company uses the output method which recognises revenue on the basis of direct measurements of the value to the customers of the building or civil work transferred to date relative to the remaining goods or services promised in to. Output methods include survey of performance completed to date, appraisals of results achieved, milestones reached and time elapsed and units produced or units delivered.

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4.1 Significant accounting judgements, estimates and assumptions - Continued

4.1.2 Estimates and assumptions

i. Investment properties

The Company uses external experts in valuing its investment properties. For an analysis of the properties valued using each of these refer to Note 16.

For external valuations, professional valuers' make use of the following key assumptions:

- 1 That the interests held by the company as evidenced by title deeds are good and marketable;
- 2 That the properties are free from onerous restrictions and charges;
- 3 That the properties are not adversely affected by or subject to compulsory acquisition, road widening, planning restrictions or urban renewal schemes
- 4 That the properties are free from structural, infestation or concealed defect conditions and show no sign of impairment.

ii. Useful lives and residual values of property, plant & equipment

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of property, plant and equipment will have an impact on the carrying value. See Note 13 for further details.

iii. Financial Instruments

Provision for expected credit losses (ECL) of loan receivables and other receivables

The Company uses a general approach to calculate ECLs for loan receivables and other receivables. The provision rates are based on probability of default (PD), loss given (LGD), exposure at default (EAD) customer type).

The general approach is initially based on the Company's historical observed default rates. The Company will calibrate the probability of default (PD), loss given (LGD), exposure at default (EAD) customer type). to adjust the historical credit loss experience with macro economic variables. For instance, if forecast economic conditions (i.e., gross domestic product, unemployment) are expected to deteriorate over the next year which can lead to an increased number of defaults in the real estate, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the macro economic variables are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a material estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's loan receivables and other receivables is disclosed in Note 17.1 and 19.1.

ii Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide contract relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective bodies. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

iii Review of the useful lives of tangible assets

Another major assumption made by directors in the preparation of the financial statements is the determination of the useful life of the plant property and equipment. These estimates are made from judgments based on past experience with similar assets, technological obsolescence and declining residual values.

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5	Revenue from contracts with customers	2024 N'000	2023 N'000
	Total revenue from contracts with customers	7,594,715	6,351,492
		=====	=====

5.1 Disaggregated revenue information

The revenue of the Company was earned from the following streams:

Interest income earned from loans to state governments and others	6,763,179	5,905,900
Interest income earned from student housing loan*	230,423	-
Interest income earned from Help-To-Own housing loan**	18,763	-
Loan management fees***	520,211	445,592
Profit from sales of housing unit****	62,139	-
	-----	-----
Total revenue from contracts with customers	7,594,715	6,351,492
	=====	=====

*During the year, the Company gave out student housing loan to one (1) State University and one (1) College of Education (2023: Nil) in Nigeria. Therefore, the interest and management fees earned on the loans are treated as revenue.

**During the year, the Company gave out Help-To-Own housing loan to four (4) (2023:Nil) private firms in Nigeria. Therefore, the interest and management fees earned on the loans are treated as revenue.

***Management made fee income from loan disbursed to states and private developers during the year.

****Profit from sales of housing unit represents the income earned from the sales of property inventories in the Family Homes Funds Legacy Estates.

	2024 N'000	2023 N'000
Geographical markets		
Within Nigeria	7,594,715	6,351,492
	=====	=====
Timing of revenue recognition		
Goods and services transferred at a point in time	7,594,715	6,351,492
	=====	=====

6	Finance income	2024 N'000	2023 N'000
	Interest income - fixed deposit - Naira	5,387,109	4,328,524
	Interest income - fixed deposit - USD	881,811	-
	Interest income - sinking fund	406,812	146,018
		-----	-----
	6.675.732	4.474.542	
	=====	=====	

7	Other operating income	2024 N'000	2023 N'000
	Interest from staff mortgage loan	9,237	8,524
	Penalties and other fees	16,565	1,105
	Due diligence fees	17,500	-
	Reversal of expected credit loss on loan receivables (Note 17.1)	-	9,446
	Provision no longer required*	40,807	-
	Foreign exchange gain	82,846	-
		-----	-----
	166,955	19,075	
	=====	=====	

*Provision no longer required represents write back of provision for litigation made in prior year no longer required based on the court judgement.

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8	Operating and administrative expenses	2024	2023
		N'000	N'000
	Amortization of intangible assets (Note 14)	121,580	40,375
	Audit fees*	35,500	15,000
	Bank charges	1,152	857
	Depreciation of property, plant and equipment (Note 13)	133,145	91,434
	Depreciation of right-of-use assets (Note 15)	43,775	59,572
	Directors' emoluments (Note 9)	208,977	162,409
	Donations	260,723	46,003
	Employee costs (Note 9)	1,253,453	757,863
	Expected credit loss on loan receivables (Note 17.1)	608,551	-
	Loss on disposal of property, plant and equipment	-	8,856
	Loss on sales of housing unit	-	4,572
	Insurance	95,266	12,444
	Marketing expenses	37,050	2,271
	Office supplies	31,934	26,933
	Office running expenses	81,443	61,165
	Other expenses**	83,100	120,737
	Printing and stationeries	65,383	36,353
	Project management expenses	193,592	968,585
	Professional and consultancy fees***	453,700	183,136
	Rent	77,222	64,258
	Subscription fees	45,312	-
	Travel expenses	174,987	190,379
	Vehicle expenses	74,191	30,943
	Write down of property inventories	49,798	20,348
		4,129,834	2,904,493
		=====	=====

*The audit fees represent auditors remuneration as agreed with Messrs Ernst & Young (EY) audits of Family Homes Funds Limited for the period ended 30 June 2024 and year ended 31 December 2024 amounted to N13,000,000 and N22,500,000 respectively. The independent auditor's report was signed by Funmi Ogunlowo, a partner in the firm, with Financial Reporting Council (FRC) membership number FRC/2013/PRO/ICAN/004/00000000681.

**Other expenses includes office refreshments, entertainments, media etc.

***Professional and consultancy fees includes fees paid to management consultants, tax advisory, business consultants, legal consultants etc.

9	Employee costs	2024	2023
		N'000	N'000
	Salaries and wages	665,515	454,295
	Pension - Defined contribution plan	25,709	25,480
	Other staff costs	562,229	278,088
		1,253,453	757,863
	Directors' emoluments	208,977	162,409
		1,462,430	920,272
		=====	=====

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9 Employee costs - Continued

9.1 Particulars relating to employees

The year end number of full time persons employed by the Comonay was as follows:

	2024	2023
Number of employees	56	42
	===	===

Employees of the Company, other than directors, whose duties were wholly or mainly discharged received remuneration (excluding pension contributions) in the following ranges:

The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

	2024 Number	2023 Number
₦500,000 - ₦1,000,000	-	-
₦1,100,000 - ₦2,000,000	1	5
₦2,100,000 - ₦3,000,000	3	-
₦3,100,000 - ₦4,000,000	2	5
₦4,100,000 - Above	50	32
	-----	-----
	56	42
	===	===

10 Profit before taxation

Profit before taxation has been arrived at after charging:

	2024 N'000	2023 N'000
Amortization of intangible assets	121,580	40,375
Auditor's remuneration	35,500	15,000
Depreciation of property, plant and equipment	133,145	91,434
Depreciation of right-of-use asset	43,775	59,572
Employee costs	1,253,453	981,310
Directors' emoluments	208,977	162,409
	=====	=====

11 Finance costs

	2024 N'000	2023 N'000
Lease rental expenses on Sukuk bonds (Note 25.3)	3,320,941	3,736,357
Loan charges*	159,944	144,898
Interest on African Development Bank loan	2,747,514	-
	-----	-----
	6,228,399	3,881,255
	=====	=====

*Loan charges represent management fees, trustee fees and other annual, biannual quarterly charges on the Sukuk Bond.

12 Taxation

12.1 Current income tax

	2024 N'000	2023 N'000
Minimum tax	72187	-
Company income tax charge	-	376,119
Education tax charge	-	46,274
Police trust fund levy	-	77

Deferred tax:

Relating to origination and reversal of temporary differences	(16,028)	(26,362)
---	----------	----------

Income tax expense reported in the statement of profit or loss

	56,159	396,108
	=====	=====

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12 Taxation - Continued

12.2	Income tax payable	2024 N'000	2023 N'000
	At 1 January	578,086	655,653
	Minimum tax	72,187	-
	Company income tax charge	-	376,119
	Education tax charge	-	46,274
	Police trust fund levy	-	77
	Withholding tax credit note utilised during the year	(429,028)	-
		-----	-----
		221,245	1,078,123
	Payments during the year	(149,058)	(500,037)
		-----	-----
	At 31 December	72,187	578,086
		=====	=====

12.3	Reconciliation of tax expense and the accounting profit multiplied by Nigeria's domestic tax rate for 2023 and 2024:	2024 N'000	2023 N'000
	Accounting profit before tax	4,079,169	4,059,361
		=====	=====
	Income tax at 30%	1,223,751	1,217,809
	Non-deductible expenses	355,839	78,514
	Income exempts from tax	(1,579,590)	(833,584)
	Effect of capital allowance	-	(86,620)
	Effect of minimum tax	72,187	-
	Effect of education tax levy	-	46,274
	Effect of police trust fund	-	77
	Deferred tax effect	(16,028)	(26,362)
		-----	-----
		56,159	396,108
		=====	=====
	Effective tax rate	1%	10%

12.4 Provision for Education Tax has been computed at the rate of 3% (2023: 3%) on the assessable profit in accordance with Finance Act.

12.5 Deferred tax

Deferred tax has been computed using the liability method resulting into deferred tax asset of N----- (2023; asset: N22,760,0000).

	Deferred tax asset	2024 N'000	2023 N'000
	At 1 January	22,760	(3,602)
	Charge for the year	16,028	26,362
		-----	-----
	At 31 December	38,788	22,760
		=====	=====

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13 Property, plant and equipment

	Motor vehicles	Office furniture & fittings	Computer equipment	Total
Cost	N'000	N'000	N'000	N'000
At 1 January 2023	162,590	74,938	97,786	335,314
Additions	139,696	20,584	3,499	163,779
Disposal	(42,893)	(550)	(1,080)	(44,523)
At 31 December 2023	259,393	94,972	100,205	454,570
	=====	=====	=====	=====
At 1 January 2024	259,393	94,972	100,205	454,570
Additions	526,000	38,538	64,028	628,566
At 31 December 2024	785,393	133,510	164,233	1,083,136
	=====	=====	=====	=====
Accumulated depreciation and impairment				
At 1 January 2023	71,683	39,014	48,420	159,117
Charge for year	54,499	16,593	20,342	91,434
Disposal	(27,701)	(120)	(495)	(28,316)
At 31 December 2023	98,481	55,487	68,267	222,235
	=====	=====	=====	=====
At 1 January 2024	98,481	55,487	68,267	222,235
Charge for the year	93,025	24,334	15,786	133,145
At 31 December 2024	191,506	79,821	84,053	355,380
	=====	=====	=====	=====
Net book value				
At 31 December 2024	593,887	53,689	80,180	727,756
	=====	=====	=====	=====
At 31 December 2023	160,912	39,485	31,938	232,335
	=====	=====	=====	=====

- a) There are no impairment losses recognize during the year ended 31 December 2024 (2023: Nil).
- b) There are no borrowing costs capitalised during the year ended 31 December 2024 (2023: Nil)
- c) There are no contractual commitments for the acquisition of items of property, plant and equipment that has not been accounted for.
- d) None of the property, plant and equipment are specifically pledged as security or collateral

14 Intangible assets - Software

Cost	N'000
At 1 January 2024	254,771
Additions	35,992
At 31 December 2024	290,763
	=====
Accumulated amortization and impairment	
At 1 January 2023	80,383
Charge for the year	121,580
At 31 December 2024	201,963
	=====
Net book value	
As at 31 December 2024	88,800
	=====
At 31 December 2023	174,388
	=====

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15 Right-of-use assets

Cost	N'000	
At 1 January 2024	232,083	
Additions	-	

At 31 December 2024	232,083	
	=====	
Accumulated depreciation and impairment		
At 1 January 2024	153,527	
Charge for the year	43,776	

At 31 December 2024	197,303	
	=====	
Net book value		
At 31 December 2024	34,780	
	=====	
At 31 December 2023	78,556	
	=====	

16 Investment properties

	2024	2023
	N'000	N'000
Cost of investment properties is categorized as follows:		
At 1 January	1,259,966	1,259,966
Disposal	(118,595)	-
	-----	-----
At 31 December	1,141,371	1,259,966
	=====	=====

The Company has elected to value investment properties at cost.

The Company's investment properties comprises of parcels of land in Kano and Ogun States. There are no restrictions on the realisability of its investment properties. The investment properties were revalued by independent professionally qualified valuers who hold recognised relevant professional qualifications and have relevant experience in the location and categories of the investment properties valued. As at 31 December 2024 the fair value of the investment properties is N8.18 billion (2023: N6.08 billion).

Basis of valuation

The determination of fair market values for the investment properties was based on a combination of methods including Investment/ Income Capitalisation, Direct Market Comparison and Depreciated Replacement Cost methods of valuation on the assumption of continuity in their existing uses.

The fair market values are the estimated amounts for which assets should exchange on the valuation date between a willing buyer and a willing seller at arm's length transaction after proper marketing wherein parties had each acted knowledgeably, prudently and without compulsion.

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17 Loan receivables

States	Adamawa N'000	Bauchi N'000	Borno N'000	Yobe N'000	Niger N'000	Green Pasture N'000	Zamfara N'000	Akwa-Ibom N'000	Kano N'000	Kebbi N'000	Gombe N'000	Enugu N'000	Continental Civil and General Engineering N'000
Housing Development Loan													
At 1 January 2024	6,632,320	14,501,563	5,178,037	20,920,395	1,609,545	1,020,319	4,867,167	4,699,408	95,291	3,612,859	4,743,814	941,363	-
ECL Provision for the year (Note 17.2)	(111,139)	(239,697)	(88,483)	(350,185)	(17,611)	(171,630)	(24,802)	(24,162)	(44)	(18,570)	(24,388)	(21,993)	-
Loan receivables (net) 1 January 2024	6,521,181	14,261,866	5,089,554	20,570,210	1,591,934	848,689	4,842,365	4,675,246	95,247	3,594,289	4,719,426	919,370	-
Additions	-	-	-	-	-	-	-	-	-	-	-	395,282	10,000,083
Accrued interest	548,662	1,244,760	-	1,810,192	145,238	64,882	399,359	390,837	-	304,423	403,572	127,228	1,057,280
Accrued management fees	37,515	91,433	284,185	100,566	16,150	5,407	44,373	43,426	-	33,825	44,841	13,148	68,723
Repayment	(1,063,750)	(2,590,573)	(700,784)	(3,973,050)	(324,536)	(595,600)	(1,206,380)	(1,126,796)	-	(835,706)	(1,237,410)	(60,211)	(53,040)
ECL (charge)/reversal for the year (Note 17.2)	(104,080)	(229,515)	(117,431)	(57,351)	(14,457)	(1,263)	(43,443)	(12,560)	-	(37,854)	(56,394)	(20,203)	(575,882)
At 31 December 2024	6,050,667	13,017,668	4,644,007	18,800,752	1,431,940	493,745	4,061,076	3,994,315	95,291	3,077,547	3,898,423	1,396,607	10,497,164
Homebase Mortgage Bank N'000 Gateway Mortgage Bank N'000 City Code Mortgage Bank N'000 AG Mortgage Bank N'000 Akwa Ibom State University N'000 Warri College of Education N'000 Total N'000													
Help-To-Own Loan Student Housing Loan													
At 1 January 2024	68,822,081	-	-	-	-	-	-	-	-	-	-	-	-
ECL Provision for the year (Note 17.2)	(1,092,704)	-	-	-	-	-	-	-	-	-	-	-	-
Loan receivables (net) 1 January 2024	67,729,377	-	-	-	-	-	-	-	-	-	-	-	-
Additions	10,395,365	47,360	192,553	762,496	401,314	2,600,000	2,600,000	16,999,088					
Accrued interest	6,496,433	835	2,368	9,965	5,596	162,336	68,661	6,746,194					
Accrued management fees	783,592	-	-	-	-	16,057	6,663	806,312					
Repayment	(13,767,836)	-	-	-	-	(13,492)	(6,663)	(13,787,991)					
ECL charge for the year (Note 17.2)	(1,270,433)	(14,344)	(59,407)	(235,820)	(1,339)	(23,778)	(96,135)	(1,701,256)					
At 31 December 2024	71,459,202	33,851	135,514	536,641	405,571	2,741,123	2,572,526	77,884,428					

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17 Loan receivables - Continued

Adamawa

A loan of N4.95 billion was disbursed to Adamawa State Government in 2020 at an interest rate of 7.5% with a tenor of 144 months for the building of 1000 units of low-cost houses. The loan has a moratorium of 12 months for interest and 36 months for the principal. At the expiration of the moratorium, repayment will be made on a monthly basis. In addition to the interest, management fee is also applicable at the rate of 0.5% annually payable monthly. Adamawa State government obtained an additional loan facility of N1.4 billion at 14% for a tenure of 118 months in 2023.

Bauchi

A total loan of N12 billion was disbursed to Bauchi State Government in 2020 at an interest rate of 7.5% with a tenor of 144 months for the building 2,500 units of low-cost houses. The loan has a moratorium of 12 months for interest and 36 months for the principal. At the expiration of the moratorium, repayment will be made on a monthly basis. In addition to the interest, a management fee is also applicable at the rate of 0.5% annually payable monthly. Bauchi State government loan facility was enhanced by N3.4 billion at 14% within the existing tenor of 144 months in 2023, bringing the total loan to N15.4 billion.

Borno

A loan of N5.5 billion was disbursed to Borno State Government in 2020 at an interest rate of 6% with a tenor of 180 months for the building 3200 units of low-cost houses. The loan has a moratorium of 18 months for interest and 18 months for the principal. At the expiration of the moratorium, repayment will be made on a monthly basis. In addition to the interest, management fee is also applicable at the rate of 0.5% annually. The management fee was paid in full for the first year after which it was waived by management.

Yobe State

A total loan of N15.96 billion was disbursed to Yobe State Government in 2020 at an interest rate of 9% with a tenor of 120 months for the building 3600 units of low-cost houses. The loan has a moratorium of 12 months for interest and 48 months for the principal. At the expiration of the moratorium, repayment will be made on a monthly basis. In addition to the interest, management fee is also applicable at the rate of 0.5% annually payable monthly. Yobe State government loan facility was loan enhanced by N5 billion in April 2022 at the same interest rate of 9% bringing the total loan to N20.9 billion.

Niger State

A loan of N 282 million was disbursed to Niger State Government in 2021 which was the first tranche of the loan at an interest rate of 9% with a tenor of 120 months for the building of 1220 low-cost houses. The facility was further enhanced by N1.6 billion in 2022. The loan has a moratorium of 12 months for interest and 24 months for the principal. At the expiration of the moratorium, repayment will be made on a monthly basis. In addition, the loan may be restructured soonest to have adequate funding for the project. The interest is charged accordingly, management fee is also applicable at the rate of 1% annually payable monthly.

Green Pastures Loan

A total loan of N756.5 million was disbursed to Green Pasture (Private loan) in 2021 at an interest rate of 9% with a tenor of 12 months for the building of 1000 low-cost houses. The loan has a moratorium of 9 months for both interest and principal. The same facility was enhanced by N353.9 million in 2022. At the expiration of the moratorium, repayment will be made on a quarterly basis. In addition to the interest, management fee is also applicable at the rate of 1% quarterly. An additional loan of N452.9 million at 12% with a tenor of 18 months was disbursed to Green Pasture in 2023 bringing the total loan amount to N1.56 billion.

Kebbi State

A loan facility of N3.99 billion was disbursed to Kebbi State Government in January 2022 at an interest rate of 9% with a tenor of 96 months for the building of 620 units of low-cost houses. The loan has a moratorium of 12 months for interest and 12 months for the principal. At the expiration of the moratorium, repayment will be made on a monthly basis. In addition to the interest, management fee is also applicable at the rate of 1% annually payable monthly.

Akwa-Ibom State

In March 2022, a loan of N5 billion was disbursed to Akwa-Ibom State Government at an interest rate of 9% with a tenor of 96 months for the building of 650 units of low-cost houses. The loan has a moratorium of 12 months for interest and 12 months for the principal. At the expiration of the moratorium, repayment will be made monthly. In addition to the interest, management fee is also applicable at the rate of 1% annually payable monthly.

Kano State

A loan of N3.81 billion was disbursed to Kano State Housing Cooperation in March 2022 at an interest rate of 9% with a tenor of 12 months for the building of 500 units of low-cost houses. The loan has a moratorium of 12 months for the principal. In addition, interest (9%) and management fee at the rate of 1% annually payable quarterly. The moratorium on the facility expired during the period and the principal repayment of N3.81 billion was made in one lump sum.

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17 Loan receivables - Continued

Zamfara State

In May 2022, a loan of N5 billion was disbursed to Zamfara State Government at an interest rate of 9% with a tenor of 96 months for the building of 600 units of low-cost houses. The loan has a moratorium of 12 months for interest and 12 months for the principal. At the expiration of the moratorium, repayment will be made monthly. In addition to the interest, management fee is also applicable at the rate of 1% annually payable monthly.

Gombe State

Gombe State government was availed a loan facility of N5 billion in November 2022 at an interest rate of 9% with a tenor of 96 months for the building of 600 units of low-cost houses. The loan has a moratorium of 12 months for interest and 12 months for the principal. At the expiration of the moratorium, repayment will be made monthly. In addition to the interest, management fee is also applicable at the rate of 1% annually payable monthly.

Enugu State

A loan of N0.87 billion was disbursed to Enugu State Housing Development Cooperation in January 2023 at an interest rate of 10% with a tenor of 36 months for the building of 250 units of low-cost houses. The loan has a moratorium of 18 months for the principal and interest. At the expiration of the moratorium, repayment will be made monthly. In addition, interest (10%) and management fee at the rate of 1% annually payable monthly.

Continental Civil and General Engineering

A revolving facility of N20 billion was given to Continental Civil and General Construction Company with N10 billion disbursed in March 2024 at an interest rate of 16% with a tenure of 36 months for the building of 288 housing units. The loan has a moratorium of 18 months for the principal and interest. At the expiration of the moratorium, repayment will be made quarterly. In addition, interest (16%) and management fee (1% of outstanding loan) payable quarterly.

Homebase Mortgage Bank

A loan of N47,360,000.00 million was disbursed to Homebase Mortgage Bank in year 2024 at an interest rate of 4.84% being 40% FHFL contribution on behalf of 4 end beneficiaries mortgages with an average tenor of 17 years. Repayment of both principal and interest will be made monthly throughout the loan tenor with moratorium on principal component from FHFL.

Gateway Mortgage Bank

A loan of N192 million was disbursed to Gateway Mortgage Bank Limited in year 2024 at an interest rate of 4.84% with an average tenor of 15 years being 40% FHFL funding for creating mortgages for 25 off-takers of low-cost houses. Repayment of both principal and interest will be made monthly throughout the loan tenor with moratorium of 5 years on the principal component from FHFL. This fund has impacted 125 household beneficiaries.

City Code Mortgage Bank

A loan of N762 million was disbursed to AG Mortgage Bank in year 2024 at an interest rate of 4.84% with an average tenor of 15 years for creating mortgages for 32 off-takers of low-cost houses. Repayment of both principal and interest will be made monthly throughout the loan tenor with moratorium on principal from Family Homes Funds for a maximum period of 5 years.

AG Mortgage Bank

A loan of N401 million was disbursed to AG Mortgage Bank in year 2024 at an interest rate of 4.84% with an average tenor of 15 years for creating mortgages for 32 off-takers of low-cost houses. Repayment of both principal and interest will be made monthly throughout the loan tenor with moratorium on principal from Family Homes Funds for a maximum period of 5 years.

Akwa Ibom State University

A loan of N2.6 billion was disbursed to Aurorawoods Nigeria Ltd in May 2024 at an interest rate of 10% with a tenor of 15 years for the building of 1600 bedspaces at the Akwa Ibom State University. The loan has a moratorium of 18 months for the principal and interest. At the expiration of the moratorium, repayment will be made quarterly. In addition, interest (10%) and management fee at the rate of 1% annually payable quarterly.

Warri College of Education

A loan of N2.6 billion was disbursed to Oldbrookes Nigeria Ltd in September 2024 at an interest rate of 10% with a tenor of 15 years for the building of 1600 bedspaces at the College of Education Warri. The loan has a moratorium of 18 months for the principal and interest. At the expiration of the moratorium, repayment will be made quarterly. In addition, interest (10%) and management fee at the rate of 1% annually payable quarterly.

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17.1 Allowance for expected credit loss on loan receivables

A reconciliation of the allowance for impairment losses on loan receivables

As at 31 December 2024, loan receivables impairment provision was N1,990,330,000 (2023: N1,092,703,000).

Movements in the provision for impairment of loan receivables were, as follows

	2024 N'000	2023 N'000
At 1 January	1,092,703	1,102,149
Charge/(reversal) for the year	897,627	(9,446)
At 31 December	1,990,330	1,092,703
	=====	=====

18 Property inventories

Properties under construction

Finished properties

11,298,977	15,711,975
9,232,761	6,031,141
20,531,738	21,743,116
=====	=====

All property inventories above are carried at lower of cost and net realizable value.

19 Other receivables

Financial instruments:

Interest receivables

Value added asset*

Share capital receivables

Staff loans and advances

Allowance for expected credit loss on staff mortgage loan***

2024 N'000	2023 N'000
1,237,965	1,788,575
554,139	554,139
510	510
168,853	169,613
-	-
1,961,467	2,512,837

Non-financial instruments:

Prepayments**

Total other receivables

328,686	155,868
2,290,153	2,668,705
=====	=====

*Value added asset relates to advance payment made to Federal Inland Revenue Services which is claimable from the customers.

**Prepayments relate to insurance, service charges, improvement to the building space, subscriptions and short term software licenses.

The expected credit loss (ECL) on staff loans is not material during the year ended 31 December 2024 (2023:Nil).

20 Other current investments

Short-term deposits - Naira

Short-term deposits - USD

2024 N'000	2023 N'000
29,440,831	36,386,827
30,562,803	-
60,003,634	36,386,827
=====	=====

Short-term deposits are investments in local and foreign currencies with a maturity of over three (3) months and up to twelve (12) months. The expected credit loss (ECL) on short-term deposits is not material during the year ended 31 December 2024 (2023:Nil).

21 Cash and bank balances

Cash at hand

CBN operational account

CBN treasury single account

CBN AfDB HTO account

CBN HTO counterpart fund account

2024 N'000	2023 N'000
139	57
2,890	32,077
387,207	427,684
153,505	18,142,200
96,212	-
639,953	18,602,018
=====	=====

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21 Cash and bank balances - Continued

For the purposes of the statement of cash flows, cash and cash equivalents include cash at hand and in the banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows is same as in the statement of financial position.

22 Share capital	2024	2023
Issued and fully paid:	N'000	N'000
1,000,000 ordinary shares of N1 each	1,000	1,000
	=====	=====

23 Capital grant	2024	2023
	N'000	N'000
At 1 January	89,000,000	85,500,000
Additions	3,500,000	3,500,000
At 31 December	92,500,000	89,000,000
	=====	=====

As part of Federal Government of Nigeria's (FGN) Social Investment Programme, N100 billion was earmarked from the N500 billion Social Intervention Programme Fund for affordable housing. This fund (N100 billion) is to be managed by Family Homes Funds Limited (FHFL) for the development and sale of houses to low/middle income families at low cost. Of the total amount of N100 billion that was approved by the FGN, the Ministry of Finance has released a total of N92.5 billion at the end of the reporting year.

24 Deferred income government grant	2024	2023
	N'000	N'000
At 1 January	5,880,645	4,800,000
Additions	-	1,300,000
Disbursements	(5,507,857)	(219,355)
At 31 December	372,788	5,880,645
	=====	=====

The Company disbursed sum of N5.52 billion out of N6.1 billion grant released by the Federal Ministry of Finance, Budget and National Planning to the beneficiaries of the grant during the year for the implementation of "National Poverty Reduction with Growth Strategy (NPRGS)" programme.

25 Retained earnings	2024	2023
	N'000	N'000
At 1 January	7,227,166	3,636,424
Profit for the year	4,023,010	3,663,253
Final dividend for 2023 (Note 27.2)	(183,163)	(72,511)
At 31 December	11,067,013	7,227,166
	=====	=====

26 Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations:

	2024	2023
	N'000	N'000
Profit attributable to owners of the Company	4,023,010	3,663,253
	=====	=====
	'000	'000
Weighted average number of ordinary shares for basic EPS	1,000	1,000
	=====	=====
Basic earnings per share (N)	4,023	3,663
	=====	=====

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27	Other payables	2024 N'000	2023 N'000
	Accruals*	316,507	394,712
	Payroll deduction liabilities**	9,893	90,276
	Other tax liabilities (Note 27.1)	45,577	76,865
	Dividend payable (Note 27.2)	255,674	72,511
	Sukuk bond charges	93,248	62,782
		<u>720,899</u>	<u>697,146</u>
		=====	=====

*Accruals relate to legal fees, agency fees, audit fees and other similar liabilities that are yet to be invoiced as at year end.

**Payroll deduction includes liabilities in respect of accrued salaries, National Housing fund (NHF) and Employee compensation scheme.

No interest is charged on Trade and other payables.

27.1	Other tax liabilities	2024 N'000	2023 N'000
	Value added tax	12,799	38,676
	Withholding tax payable	32,778	38,120
	Personal income tax	-	69
		<u>45,577</u>	<u>76,865</u>
		=====	=====

27.2	Dividend payable	2024 N'000	2023 N'000
	At 1 January	72,511	123,765
	Final dividend for 2023	183,163	72,511
	Final dividend paid	-	(123,765)
	At 31 December	<u>255,674</u>	<u>72,511</u>
		=====	=====

28	Contract liabilities	2024 N'000	2023 N'000
	At 1 January	5,597,816	4,800,000
	Additions during the year	3,298,882	1,300,000
	Released to profit or loss *	(1,822,098)	(502,184)
	At 31 December	<u>7,074,600</u>	<u>5,597,816</u>
		=====	=====

Contract liabilities represent advance received from customers for purchase of finished housing units which performance obligations have not been satisfied by the Company as at the reporting date.

*Released to profit or loss represents advance received from customers in prior year which performance obligations have been satisfied in the current year and included as part of revenue in Note 5.

29	Interest bearing loans and borrowings	2024 N'000	2023 N'000
	African Development Bank	30,716,400	18,142,000
	FHFL Sukuk issuance programme bond	26,524,879	27,332,077
		<u>57,241,279</u>	<u>45,474,077</u>
		=====	=====
	Current	7,498,480	4,514,768
	Non-current	49,742,799	40,959,309
		<u>57,241,279</u>	<u>45,474,077</u>
		=====	=====

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29 Interest bearing loans and borrowings - Continued

29.1 Movement in interest bearing loans and borrowings is as shown below:

At 1 January	45,474,077	30,388,126
Additions	12,574,200	18,142,000
Repayment during the year	(3,322,333)	(2,911,886)
	54,725,944	45,618,240
Accrued lease rental/interest	3,707,769	1,192,434
Repayment of accrued lease rental/interest	(1,192,434)	(1,336,597)
At 31 December	57,241,279	45,474,077
	=====	=====

FHFL Sukuk issuance programme bond

This represents FHFL Sukuk issuance programme bond of N10 billion @ 13% lease rental rate and N20 billion @ 14% lease rental rate. Family Homes Funds Limited has raised all the series of N30 billion and repayment of both principal and lease rental has commenced. The bond will be repaid over 7 years.

African Development Bank

A loan facility of \$60 million dollars at a negotiated rate of 2.74% was secured during the year for the newly established Help-to-Own product. The loan is to be disbursed in three tranches of \$20 million dollars. The first tranche of \$20 million was drawn down in November 2023. This product is primarily meant to help to reduce mortgage rates by contributing forty percent (40%) of the mortgage amount at an average rate of 4.84%. The loan is for a tenure of 25 years and has a 7-year moratorium on interest and principal.

29.2 Sinking fund investment	2024	2023
	N'000	N'000
At 1 January	5,557,888	6,253,847
Inflows	6,649,664	6,095,528
Investment income, net of direct expenses	253,420	1,120
Coupon payment	(6,792,607)	(6,792,607)
At 31 December	5,668,365	5,557,888
	=====	=====

The sinking fund investment relates to the amount paid in advance to the joint trustee account which will be used to settle both principal and lease rental on Sukuk bond future repayments. This amount was later re-invested by the trustee @ interest rate of 3%.

29.3 Accrued lease rental/interest	2024	2023
	N'000	N'000
At 1 January	1,192,434	1,336,797
Lease rental/interest for the year (Note 11)	6,068,455	3,736,357
	7,260,889	5,073,154
Payment in the year	(3,553,120)	(3,880,720)
At 31 December	3,707,769	1,192,434
	-----	-----

30 Related party				
Transactions with related party	Year	Equity	Loan	Grand total
		N'000	N'000	N'000
FGN Social Intervention Programme Grant	2024	(92,500,000)	-	(92,500,000)
	2023	(89,000,000)	-	(89,000,000)

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30 Related party - Continued

30.1 Remuneration of key management personnel

The remunerations of the non-executive directors are set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2024 N'000	2023 N'000
Directors' emoluments:		
Fees (non-executive directors)	122,208	73,013
Other emoluments (non-executive directors)	86,769	89,396
	-----	-----
Total non-executive emoluments	208,977	162,409
Emoluments (executive directors)*	182,127	75,361
	-----	-----
	391,104	237,770
	=====	=====

*Emoluments of executive directors are reported in salaries and wages (note 9).

The directors' remuneration shown above includes:

Chairman's remuneration	33,088	31,250
Highest paid director	103,396	75,361
	=====	=====

The emoluments of all other directors fall within the following ranges:

Emoluments	Number	Number
N1,000,001 and above	9	6
	==	==

31 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Board of Directors provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include cash and short-term deposits, staff loans and loans and borrowings.

31 Financial risk management objectives and policies

a. **Market risk**

The sensitivity analysis in the following sections relate to the position as at 31 December 2024, 31 December 2023. The sensitivity analysis has been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant.

The analysis excludes the impact of movements in market variables on: the carrying values of pension and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant statement of profit or loss and other comprehensive income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2024 and 2023.

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31 Financial risk management objectives and policies - Continued

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from borrowings. Borrowings are issued at floating rates exposing the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. The Company's policy on managing interest rate risk is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for loans and for deposits. The Company had short term borrowing as at 31 December 2024 of 23.86 billion Naira and 31 December 2023 of 18.14 billion Naira which have variable interest rate.

Interest rate sensitivity

	Change in interest rate	Effect on profit before tax
	%	N'000
2024 USD	+3%	715,735
	-3%	(715,735)
2023 USD	+2%	362,800
	-2%	(362,800)

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's short term deposits and borrowings. The Company has no receivables denominated in foreign currency. The Company makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar. Management's approach to managing foreign exchange risk is to hold foreign currency bank account and short term deposits which act as a natural hedge for these transactions.

c. Foreign currency risk
Foreign currency sensitivity

	Change in USD rate	Effect on profit before tax
	%	N'000
2024	+5%	2,728,790
	-20%	(10,915,162)
2023	+5%	1,814,400
	-20%	(7,256,800)

d. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing activities, including cash and short-term deposits, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. A sales representative is attached to each customer and outstanding customer receivables are regularly monitored by the representative. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The company evaluates the concentration of risk with respect to trade receivables as customers consist of reputable state government and private firm that are subjected to financial scrutiny by various regulatory bodies. The company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

31 Financial risk management objectives and policies - Continued

Cash and short-term deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Surplus funds are spread amongst reputable financial institutions and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Company's Chief Financial Officer periodically and may be updated throughout the year subject to approval of the Chief Financial Officer. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The company's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Trade receivables

For trade receivables, the Company applied the simplified approach in computing ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17. The Company does not hold collateral as security.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stage delinquency to write-off. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Expected credit loss measurement - other financial assets

The Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables and short-term deposits. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a material increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a material increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs, etc. - are monitored and reviewed on a regular basis. There have been no material changes in estimation techniques or material assumptions made during the reporting period. The material changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

31 Financial risk management objectives and policies - Continued

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2 summary of material accounting policies and in Note 4.1 significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Nigeria Bureau of Statistics, Trading economics, etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2024.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Key drivers years 31 December 2024	ECL scenario	Assigned weightings	2023	2024	Subsequent
Inflation rate	Upturn	30%	27.63%	32.70%	20.00%
	Based case	40%	28.92%	33.72%	23.00%
	Downturn	30%	30.05%	34.80%	32.00%
Unemployment rate	Upturn	30%	3.07%	4.30%	4.84%
	Based case	40%	4.09%	5.03%	4.84%
	Downturn	30%	5.00%	5.50%	4.84%
Crude oil Price (USD per barrel)	Upturn	30%	98.16%	93.12%	80.76%
	Based case	40%	85.03%	82.57%	80.76%
	Downturn	30%	76.91%	74.72%	80.76%

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Liquidity risk

The Company monitors its risk to a shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of FHFL Sukuk Bond Issuance Programme. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

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31 Financial risk management objectives and policies - Continued

Contractual undiscounted cash flow	On demand	< 3 months	3 to 12 months	2 to 6 years	
31 December 2024	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	-	-	7,498,480	49,742,799	57,241,279
Other payables*	351,279	93,248	316,507	-	761,034
	-----	-----	-----	-----	-----
	351,279	93,248	7,814,987	49,742,799	58,002,313
	=====	=====	=====	=====	=====
31 December 2023					
Interest-bearing loans and borrowings	-	-	4,514,768	40,959,309	45,474,077
Other payables*	137,445	62,782	394,712	14,110	609,049
	-----	-----	-----	-----	-----
	137,445	62,782	4,909,480	40,973,419	46,083,126
	=====	=====	=====	=====	=====

*Withholding tax, VAT, NHF, NSIT, PAYE, ITF payables are not considered as financial instruments, hence they were excluded from other payables in the above table.

32 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, (loans and receivables and other financial liabilities) other than those with carrying amounts are reasonable approximations of fair values:

	Carrying amount		Fair Value	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Financial assets:				
Other receivables	2,668,705	2,668,705	2,668,705	2,668,705
Loan receivable	67,729,377	67,729,377	67,729,377	67,729,377
Cash and bank balances	54,988,845	54,988,845	54,988,845	54,988,845
Other current investments	29,440,831	36,386,827	29,440,831	36,386,827
	-----	-----	-----	-----
	154,827,758	161,773,754	154,827,758	161,773,754
	=====	=====	=====	=====
Financial liabilities:				
Interest-bearing loans and borrowings	57,241,279	45,474,077	57,241,279	45,474,077
Other payables*	761,034	609,049	761,034	761,034
	-----	-----	-----	-----
	58,002,313	46,083,126	58,002,313	46,235,111
	=====	=====	=====	=====

*Withholding tax, VAT, NHF, NSIT, PAYE, ITF payables are not considered as financial instruments, hence they were excluded from other payables in the above table.

The management assessed that cash and short-term deposits, borrowings, other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

32 Fair values - Continued

The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate receivables/ borrowings are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the staff and the risk characteristics of the financed projects. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2024, the carrying amounts of such receivables were not materially different from their calculated fair values.

Fair values of the Company's interest-bearing borrowings and loans are determined by using Discounted Cashflow (DCF) method using discount rate that reflects the Company's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2024 was assessed to be immaterial.

Fair value hierarchy

As at 31 December 2024, the Company held some financial instruments carried at fair value on the statement of financial position. The company uses the following hierarchy for determining and disclosing the fair value of non-financial assets by valuation technique:

Level 1: quote prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a material effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a material effect on the recorded fair value that are not based on observable market data.

Fair value hierarchy

	Date of valuation	Level 1 N'000	Level 2 N'000	Level 3 N'000
Quantitative disclosures on fair value measurement hierarchy for the CGU				
Financial assets for which fair values are disclosed				
31 December 2024				
Share capital receivable (Note 17)	Current	-	-	510
Loan receivable (Note 15)	Non-current	-	-	78,492,980
31 December 2023				
	Current	-	-	510
	Non-current	-	-	67,729,377
Liabilities for which fair values are disclosed				
Interest-bearing loans and borrowings (Note 23)				
31 December 2024				
		-	-	57,241,279
31 December 2023				
		-	-	45,474,077

33 Capital management

For the purpose of the Company's capital management, capital includes issued capital, preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of capital management is to maximise the shareholder value.

In order to achieve this overall objective, capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the Company to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

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33 Capital management - Continued

	2024	2023
	N'000	N'000
Interest-bearing loans and borrowings (Note 29)	57,241,279	45,474,077
Other payables (Note 27)	720,899	697,146
Cash and bank balances (Note 18)	(639,953)	(18,602,018)
Other receivables	(2,290,153)	(2,668,705)
Sinking funds investment	(5,668,365)	(5,557,888)
	-----	-----
Net assets	49,363,707	19,342,612
	-----	-----
Equity	103,568,013	96,228,166
	-----	-----
Equity and net assets	152,931,720	115,570,778
	=====	=====
Gearing ratio	32%	17%
	=====	=====

34 Capital Commitments

There were no material capital commitments as at the reporting date (31 December 2023: Nil)

35 Guarantees

There were no guarantees on behalf of Directors during the period (31 December 2023: Nil).

36 Financial commitments

There were no material financial commitments as at the reporting date (31 December 2023: Nil)

37 Contingent liabilities

There were no contingent liabilities as at the reporting date (31 December 2023: Nil).

38 Events after the reporting date

The Directors are of the opinion that there were no events after the reporting date which could have a significant effect on the financial statements of the Company that had not been adequately provided for or disclosed in these financial statements.

39 Comparative figures

There have been no significant errors or misstatements, or changes in accounting policies that require a restatement of the amounts from the financial statements for the year ended 31 December 2023 which are shown as comparative amounts in the financial statements for the year ended 31 December 2024. Any differences in the comparative amounts from the amounts in the financial statements for the year ended 31 December 2023 are solely the result of reclassifications for comparative purposes. Reclassifications in respect of profit from sales of housing unit, project management expenses, professional and consultancy fees, employee costs, other current investments and cash and bank balances, accruals, payroll deduction liabilities and contract liabilities.

OTHER NATIONAL DISCLOSURES

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STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 N'000		2023 N'000	
Value added				
Revenue	7,594,715		6,351,492	
Finance income	6,675,732		4,474,542	
Other operating income	166,955		19,075	
	-----		-----	
	14,437,402		10,845,109	
Cost of bought-in-goods and services: local	(2,368,904)		(1,792,840)	
	-----		-----	
Total value added	12,068,498	100	9,052,269	100
	=====	===	=====	===
Value distributed				
To pay employees:		%		%
Salaries, wages and other benefits	1,462,430	12	920,272	11
	=====	===	=====	===
To pay government:				
Income tax	-		422,470	
Deferred tax	(16,028)		(26,362)	
	-----		-----	
	(16,028)	-	396,108	4
	=====	===	=====	===
To pay providers of capital:				
Finance costs	6,228,399	52	3,881,255	43
	=====	===	=====	===
To be retained in the business for expansion and future wealth creation:				
Depreciation of property, plant and equipment	133,145		91,434	
Depreciation of right-of-use assets	43,775		59,572	
Amortisation of intangible assets	121,580		40,375	
	-----		-----	
	298,500	2	191,381	2
	=====	===	=====	===
Value retained				
Retained earnings	4,023,010	34	3,663,253	40
	-----		-----	
	4,023,010	34	3,663,253	40
	-----		-----	
Total value distributed	11,996,311	100	9,052,269	100
	=====	===	=====	===

Value added represents the wealth which the Company has been able to create by its own and its employee's efforts. This statement shows the allocation of that wealth among employees, capital providers, government and that retained for future creation of wealth.

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FIVE-YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Share capital	1,000	1,000	1,000	1,000	1,000
Capital grant	92,500,000	89,000,000	85,500,000	78,500,000	65,000,000
Retained earnings	11,067,013	7,227,166	3,636,424	2,428,872	2,098
	-----	-----	-----	-----	-----
Total equity	103,568,013	96,228,166	89,137,424	80,929,872	65,003,098
	=====	=====	=====	=====	=====
Non-current assets	85,584,288	75,055,270	77,027,774	44,465,418	40,903,388
Non-current liabilities	(50,115,587)	(46,839,954)	(30,943,044)	(9,081,658)	-
Net current assets	68,099,312	68,012,850	43,052,694	45,546,112	24,099,710
	-----	-----	-----	-----	-----
Net assets	103,568,013	96,228,166	89,137,424	80,929,872	65,003,098
	=====	=====	=====	=====	=====
Revenue	7,594,715	6,351,492	5,104,077	3,313,234	1,813,269
	=====	=====	=====	=====	=====
Profit before tax	4,079,169	4,059,361	2,049,627	2,720,806	626,590
Income tax expense	(56,159)	(396,108)	(599,398)	(294,032)	(7,603)
Profit for the year	4,023,010	3,663,253	1,450,229	2,426,774	618,987
Basic EPS (Naira)	4,023	3,663	1,450	2,427	619