



CHANGING LIVES

2024 Annual Report and
Financial Statements





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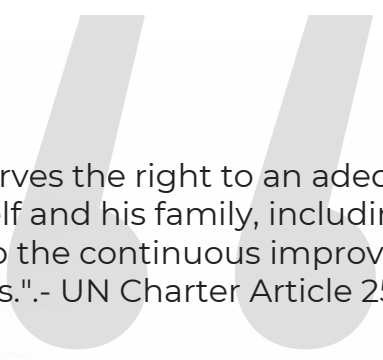
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| Acronym | Full Meaning | Acronym | Full Meaning |
|---------|--|------------|---|
| ABS | Asset-Backed Securities | MCC | Management Credit Committee |
| ABT | Alternative Building Technologies | MFB | Micro Finance Bank |
| AFD | Agence Française de Développement | MFI | Micro Finance Institution |
| AfDB | Africa Development Bank | MOFI | Ministry of Finance Incorporated |
| AHA | Africa Housing Awards | MoU | Memorandum of Understanding |
| AHF | Affordable Housing Fund | NASENI | National Agency for Science and Engineering Infrastructure |
| AIHS | Africa International Housing Show | NBS | Nigerian Bureau of Statistics |
| ALCO | Asset and Liability Management Committee | NC | North Central |
| BOT | Build-Operate - Transfer | NCFRMI | National Commission for Refugees, Migrants and Internally Displaced Persons |
| BPI | Bulk Purchase Initiative | NE | North East |
| CBN | Central Bank of Nigeria | NHF | National Housing Fund |
| CCGC | Continental Civil and General Construction Ltd | NPRGS | National Poverty Reduction with Growth Strategy |
| COSO | Committee of Sponsoring Organizations of the Treadway Commission | NRC | Norwegian Refugee Council |
| EDGE | Excellence in Design for Greater Efficiencies | UN-Habitat | United Nations Human Settlement Programme |

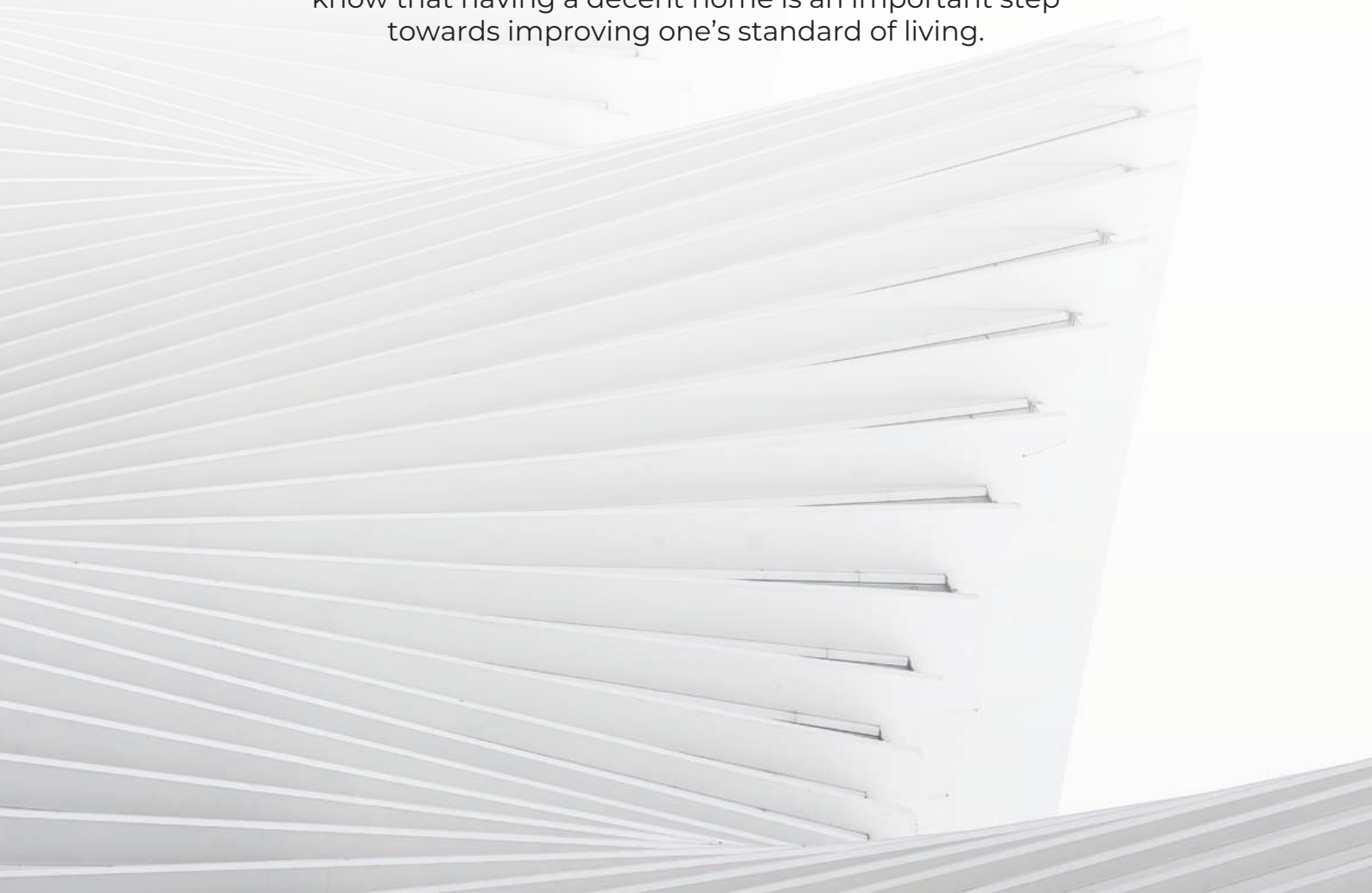
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|-------|---|-------|--|
| EMT | Executive Management Team | NaSHP | National Student Housing Programme |
| ESG | Environmental, Social and Governance | NSIA | Nigeria Sovereign Investment Authority |
| FAST | Family Homes Funds Artisans Skills Training | NW | North West |
| FGN | Federal Government of Nigeria | OEM | Original Equipment Manufacturer |
| FHFL | Family Homes Funds Limited | PenOp | Pension Fund Operators Association |
| FMBN | Federal Mortgage Bank of Nigeria | PML | Primary Mortgage Lender |
| FMHUD | Federal Ministry of Housing and Urban Development | PPP | Public Private Partnership |
| FMOF | Federal Ministry of Finance | PPRC | Project & Portfolio Review Committee |
| GDP | Gross Domestic Product | PSO | Project Schedule Officer |
| HtO | Help to Own | RHH | Renewed Hope Housing |
| IDPs | Internally Displaced Person | RHF | Rental Housing Fund |
| IHP | Incremental Housing Product | RUHI | RuralUrban Housing Initiative |
| IOM | International Organization for Migration | SE | South East |
| IPM | Independent Project Manager | SHP | Social Housing Programme |
| IsDB | Islamic Development Bank | SMEs | Small and Medium sized Enterprises |

| | | | |
|---------|--|------|--------------------------------------|
| LIDF | Land and Infrastructure Development Fund | SS | South South |
| MBAN | Mortgage Banking Association of Nigeria | SW | South West |
| TETFUND | Tertiary Education Trust Fund | UN | United Nations |
| UDHR | Universal Declaration of Human Rights | UNDP | United Nations Development Programme |



'.....everyone reserves the right to an adequate standard of living for himself and his family, including adequate . . . housing, and to the continuous improvement of living conditions."- UN Charter Article 25(1) UDHR

A declaration that states that everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing is not a cliché. The little boy, the little girl, the youth, the adults, the internally displaced persons, the poor, the vulnerable, the elderly, the low-income earners, the informal sector worker, the civil servants, ... all Nigerians, deserve a decent home. At Family Homes Funds Limited, we recognize that, and we know that having a decent home is an important step towards improving one's standard of living.



About This Report

The Changing Lives Report provides a comprehensive overview of Family Homes Funds Limited's (FHFL) achievements, milestones, and impact in fulfilling its mandate.

The report highlights FHFL's contributions in providing homes, creating jobs, fostering partnerships, and promoting thought leadership, and demonstrating FHFL's dedication to driving positive change and economic development through its initiatives.





Chapter 1

About Family Homes Funds Limited

Family Homes Funds Limited (FHFL) is a housing initiative focused on providing affordable homes for Nigerians on low income.

The fund is promoted by the Federal Government of Nigeria as part of its Social Intervention Programme with initial shareholding by the Federal Ministry of Finance Incorporated (MOFI) and the Nigeria Sovereign Investment Authority (NSIA), through its investment company NSIA Property Investment Company Limited.



Our Mission

To provide affordable homes and create jobs through innovative solutions, leveraging our skilled workforce, strategic partnerships and technology.



Our Vision

Our Vision is to be the leading social housing intervention institution in Africa.

Our Core Values



Transparency: Transparent processes and conduct in dealings with internal and external stakeholders.



Integrity: Always doing the right thing and adhering to consistent standards and procedures in all areas of conducting business.



Innovation: Encouraging creativity and idea generation; having a willingness to try new things and push the boundaries of the norm.



Professionalism: Ensuring all customers are treated with respect and the highest level of service delivery.



Environmental Sustainability: Ensuring business operations are environmentally friendly and guided by sustainability principles.



Stakeholder Focused: Maximizing value for stakeholders (including shareholder, customers, employees, suppliers, strategic partners and host communities) and ensuring that business is done in their best interests.

What We Do

FHFL operationalises its work through four different Funds.



AFFORDABLE HOUSING FUND (AHF)

The Affordable Housing Fund supports the development of thousands of homes targeted at families on low to middle income. Towards this goal, we work in partnership with public and private sector developers by providing competitively priced financing for affordable housing projects that meet our strategic objectives.



HELP-TO-OWN FUND (HTO)

Help-to-Own is a Home Loans assistance initiative supporting families on low to middle income purchase their new homes by contributing only a 10% deposit rather than the traditional 20%. The Fund is serviced in partnership with selected Primary Mortgage Institutions and commercial banks.



RENTAL HOME FUND (RHF)

The Rental Housing Fund is addressing Nigeria's pressing affordable housing deficit by providing mid-income rental housing options to meet the growing demand for quality and accessible housing.



THE LAND AND INFRASTRUCTURE DEVELOPMENT FUND (LIDF)

A construction finance facility for the development of state urban infrastructure projects, and to increase FHFL land bank development and management.



Chairman's Statement

Ademola Adebise
Chairman, Board of Directors
Family Homes Funds Limited

Dear Shareholders,

I am delighted to present my second Chairman's Statement, marking a year of renewed purpose and achievement for Family Homes Funds Limited (FHFL). Since the inauguration of our new Board in 2024, we have embraced a refreshed corporate strategy. A strategy that strengthens our commitment to delivering affordable and sustainable homes for all Nigerian families, regardless of region, age, or gender.

PROGRESS THROUGH KEY INITIATIVES

Renewed Hope Cities and Estates:


In partnership with the Federal Ministry of Housing and Urban Development, FHFL co-financed and supervised construction of pilot homes in Karsana, Abuja, under the Renewed Hope initiative of President Ahmed Bola Tinubu – an ambitious scheme targeting 770 affordable units. With key partners such as the Federal Ministry of Housing and Urban Development, Federal Mortgage Bank of Nigeria and a private sector partner – Continental Civil and General Construction Company Ltd, the project is set to deliver modern, affordable homes that will serve as the pilot phase of the Renewed Hope Housing Programme, while demonstrating a scalable model for nationwide replication.

Help-to-Own Mortgage:

This innovative product officially rolled out in 2024 and democratized homeownership for low- and middle-income Nigerians, requiring as little as a 10% deposit. Our success was validated when Help-to-Own won "Mortgage Product of the Year" at the Africa Housing Awards 2024. In its first year, we have financed 110 mortgages with up to 15% of mortgages being advanced to female beneficiaries

Project Execution and Expansion:

We also continued delivering on our promise of progress by commissioning legacy projects and starting new ones across the country. In May 2024, His Excellency, the Governor of Akwa Ibom State, Pastor Umo Eno commissioned the first phase of Grace Estate, comprising 236 homes funded by Family Home Funds Limited. The commissioning marked another milestone of bringing dreams into reality for hardworking families in our country. Beyond what we are doing with the Renewed Hope Cities and Estates, we also started new projects under the National Students Housing Programme (NaSHP) – collaborating with key stakeholders to provide decent and sustainable students hostels in universities across Nigeria. In 2024 we kicked off with Akwa Ibom state university and College of Education, Warri where a combined 3,200 bed spaces are now under construction.



The National Student Housing Programme is an initiative aimed at developing 1,600 bedspace hostels in 24 tertiary institutions across the six (6) geopolitical zones of Nigeria, totalling 38,400 bedspaces. The programme will be implemented in Federal & State Universities, Polytechnics and Colleges of Education.

Upgraded Credit Ratings:

Also in 2024, our financial strength and operational effectiveness were confirmed through rating upgrades. Agusto elevated us to Aa- and GCR to A / A1 (Stable Outlook). *These ratings reflect increased confidence in our stability, governance, and capacity to deliver lasting impact.*

Strengthened Partnerships:

Equally important this year has been our deepened network of partnerships with communities, financiers, federal agencies, regulatory bodies, and construction partners, including via strategic stakeholder engagement sessions like the Help-to-Own workshop with mortgage bankers.

BUILDING FOR THE FUTURE

2024 was a bridge year: advancing our projects, enhancing our financial resilience, and reinforcing our strategic direction.

The awards, ratings upgrades, and successful partnerships signal that FHFL is evolving into a high-impact institution capable of scaling solutions. As we move forward, our priority remains clear: to expand our reach, refine our offerings, and innovatively deliver affordable homes to more Nigerian families.

EMERGING POTENTIAL & GRATITUDE TO PARTNERS

The momentum we have built positions FHFL to be a national leader in tackling the housing crisis. With continued support, we can amplify our reach across Nigeria's underserved communities and drive inclusive economic growth. I extend heartfelt appreciation to our partners – Federal and State governments, development finance partners, construction firms, and industry stakeholders – for their unwavering collaboration. Together, we stand poised to transform the housing landscape and fulfill our shared vision of housing for all.

As we look ahead, I remain confident that FHFL's strategic direction, tangible accomplishments, and collaborative momentum position us well to transform the affordable housing landscape. We stand firm in our mission to make decent housing a reality for Nigerians everywhere.



Ademola Adebise
Chairman, Board of Directors
Family Homes Funds Limited

BOARD OF DIRECTORS



MR. ADEMOLA ADEBISE
Chairman



MR. ABDUL MUTALLAB MUKHTAR
MD/CEO



DR. EMEKA HENRY INEGBU
Executive Director - Operations



MR. ABDULLAHI MUSA
Executive Director - Finance



MR. ABDULQAWIL BELLO
Non-Executive Director



MRS. IJEOMA TAYLAUR
Non-Executive Director



MS. AISHA OMAR
Non- Executive Director



MR. SAM N. OKAGBUE, FCArb
Non-Executive Director



MRS. BILKISU USMAN
Non-Executive Director



DR. ENIANG NKANG
Non-Executive Director



ARC. MUSA AHMED
Non-Executive Director

Message From The Managing Director

A Year of Hope, Resilience, and Progress



Abdul Mutallab Mukhtar
MD/CEO
Family Homes Funds Limited

I am pleased to share a message filled with optimism and commitment as we reflect on a pivotal year for Family Homes Funds Limited (FHFL). In 2024, our team navigated a complex operating environment with purpose and perseverance, delivering bold new solutions that strengthened FHFL's position as a leader in affordable housing development across Nigeria.

THE 2024 OPERATING LANDSCAPE AND ITS IMPACTS

This year, Nigeria's housing sector operated under challenging yet transformative conditions. Inflation and rising construction material costs tested our agility, while regulatory bottlenecks and land administration issues remained significant obstacles. However, the launch of the Renewed Hope Cities and Estates Programme under President Bola Ahmed Tinubu's housing agenda marked a turning point. It renewed clear political will and momentum behind public housing solutions.

Through partnerships between government and private sector players, the Renewed Hope initiative began delivering thousands of affordable homes across multiple states. These developments are a strategic lever not only for housing access but also for economic growth and stability. As a leading financier and facilitator, FHFL seized this opportunity to step up operationally and collaboratively, while also delivering on other fronts.

FHFL'S STRENGTHS: INNOVATION, STRATEGY, & IMPACT

Refreshing Our Corporate Strategy

In 2024, the newly constituted Board of FHFL introduced a strengthened corporate strategy focused on inclusivity, sustainability, and financial resilience. This recalibrated approach positioned us to respond rapidly to market shifts while doubling down on affordability for low- to middle-income Nigerians.

The premise of our new strategy is that FHFL will continue to be at the heart of Nigeria's comprehensive housing ecosystem, delivering diverse solutions to a diverse market.

Delivering Renewed Hope Cities and Estates:

FHFL played a central role in financing, project management, and technical oversight for Renewed Hope-related projects. We supported homes in Abuja and Kano, with plans for thousands more across the nation. The project includes varied housing designs like 3-bedroom bungalows and duplexes, demonstrating our commitment to quality, choice, and affordability. The programme has also had tremendous impact on job creation and local economy stimulation.

Launching Student Housing Programme Across Nigeria

In 2024, we launched a multi-state national student housing program to ease the burden of unsafe and overcrowded dormitory conditions. This initiative strengthens our social impact footprint by delivering secure and affordable accommodation for students. The programme kicked-off at the Akwa Ibom state University, Akwa Ibom, where 1,600 bed spaces are currently under construction, while at least 8,000 more bed spaces have been approved for construction in 2025 at the College of Education, Warri, Delta state; Bauchi state Polytechnic, Bauchi state; Tai Solarin College of Education, Ogun state; Ahmadu Bello University, Zaria, Kaduna state; and College of Education, Zuba, Abuja. For us, this is a vital step in supporting education and community development.

Expanding Partnerships

Building strong partnerships has always been at the core of our strategy. In 2024, we continued to deepen and expand our network of collaborators towards addressing the housing problem in Nigeria. With the Norwegian Refugee Council (NRC) for example, we forged a new partnership targeted at meeting the housing

Innovating with Help-to-Own Mortgages:

Our Help-to-Own mortgage product broke ground this year, lowering entry barriers by enabling Nigerians to purchase homes with an affordable deposit and flexible payment plans. With at least 110 mortgages done in the first year, we are very optimistic about the potential of the programme as one of our key pillars of hope in housing delivery across Nigeria.

need of internally displaced persons (IDPs) in our country. We also struck new relationship with United Nations (UN) agencies including the UN-Habitat, International Organization for Migration (IOM), and the United Nations Development Programme (UNDP) drawing global support for our local housing goals and objectives, especially for the most vulnerable and marginalized groups in our society. We are now also in partnership with the Islamic Development Bank (IsDB) to develop a blending finance framework for affordable housing development. Through our partnership with the Ministry of Budget and Economic Planning, we have been able to fund social housing projects for widows and other marginalized groups. We also continue to maintain and deepen our partnership with state governments who are very key factors in land and infrastructure development. Workshops and engagement sessions, particularly around Help-to-Own, enabled deeper trust and cooperative frameworks.

In all, our growing network of strategic partnership with federal and state governments, development finance institutions (DFIs), mortgage stakeholders, humanitarian agencies and private developers has had positive impact on not just our immediate housing development goals, but on our image as a credible institution.

Embedding Sustainability

Sustainability remained core to our operations. We integrated environmentally conscious building materials, community-focused planning, and inclusive designs in Renewed Hope and Student Housing projects. This reflects our long-term commitment to environmentally responsible urban development. FHFL is very committed to building climate resilient communities through institutionalizing ESG frameworks and policies in our multi-faceted funding structure. Today, one of the eligibility criteria for financing developers is the adoption of alternative building technologies (ABT).

Financial Growth and Credit Upgrades

Despite macroeconomic challenges, FHFL posted solid financial results. We ended the year with a balance sheet size of N169.05bn; profit before tax of ₦4.08bn; ₦77.88bn total loan portfolio; ₦3.50bn new funds, and project disbursement of ₦16.99bn. We also achieved credit rating upgrades from Augusto to Aa- and from GCR to A / A1 (Stable Outlook), reflecting confidence in our financial outlook, governance, and delivery capacity.


LOOKING AHEAD: FHFL AS A DRIVER OF PROSPERITY

Looking forward, FHFL stands at the forefront of housing and economic development in Nigeria. Our strengthened strategy, proven innovations, and resilient partnerships position us to scale results exponentially. In the coming years, we will deepen affordable housing access, unlock new frontier markets – especially student accommodation – and support national stability through socio-economic inclusion.

I extend heartfelt gratitude to the Board of Directors for their steady guidance, to our skilled and passionate team for making every milestone possible, and to our partners – government ministries, financial institutions, and developers whose collaboration is essential to our shared success.

In closing, 2024 has reaffirmed FHFL's vital role in delivering affordable, sustainable housing in Nigeria. Amid challenges, we thrived through innovation, collaboration, and strategic clarity. This positions us not just as a housing financier, but as a catalyst for economic prosperity. For us and our partners, it is not just about building homes and hope, it is about changing lives.

Warm regards,



Abdul Mutallab Mukhtar
Managing Director
Family Homes Funds Limited

FINANCIAL DASHBOARD – 2024 YE AFS



Total Loan Portfolio

₦77.88bn



Balance Sheet Size

₦169.05bn



Profit Before Tax

₦4.08bn



Ratings

**Agusto & Co: Aa-
GCR: A/A1
(Stable Outlook)**



Total Project
Disbursement

₦16.99bn



New Funds Received

₦3.50bn



OPERATIONAL IMPACT



7,172

Homes Financed
(including 200
for women)



35,860

direct & indirect jobs
created



1,250 Artisans

trained through empowerment
programmes



19,000+ Homes

financed cumulatively
since inception

FINANCIAL STRENGTH



₦169.05 Billion
balance sheet size
achieved



\$20 Million
drawn from AfDB
Help-to-Own facility
(part of \$60m
package)

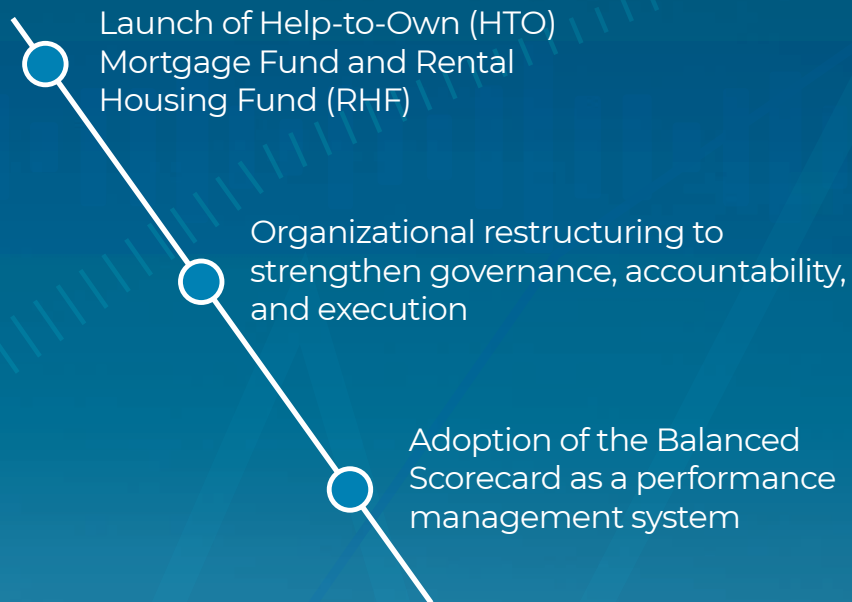


**Credit
Ratings: Aa-**
(Agusto & Co.),
A/A1 (GCR)



Good
loan performance
rate maintained

INSTITUTIONAL GROWTH



WIDER IMPACT



Cumulative
84,000+ jobs
created nationwide
since inception



Operations
spanning **19 states**
across Nigeria



FHFL positioned as a
trusted partner to
government, DFIs,
and the private sector

Chapter 2

Overview of FHFL's Governance, Compliance & Internal Control Practices

Family Home Funds Limited's governance, compliance, and control framework and practices are based on the **Three Lines of Defence (3LoD) model**. This structure ensures clear separation of roles and responsibilities, risk ownership and accountability, independence and objectivity, collaboration and communication - tailored to the company's size, complexity, and risk profile - and ongoing monitoring and enhancement. It also aligns with the company's governance and strategic goals.





**FIRST LINE OF DEFENCE –
Business & Operational Management
under the supervision of an Executive
Director**

The above section is part of the operations directorate, overseen by an Executive Director. The involved officers include investment analysts, fund managers, and project officers. They directly assume and manage risks in their daily tasks. The directorate ensures that all credit requests undergo thorough due diligence according to the company's policies and underwriting standards before being submitted to the Management Credit Committee (MCC) for review and a recommendation for further due diligence and/or progression to the Board of Directors for approval.

Because FHFL not only focuses on the performance of the loans it extends, but also on the impact of the projects, the project officers and the independent project managers (IPMs) engaged by the company ensure the projects are delivered in accordance with the terms of the loans and that disbursements are made based on verified project milestones (avoiding fund diversion).

**SECOND LINE OF DEFENCE –
Risk Management and Compliance**

This line of defence includes the Risk Management team, Legal, Compliance, Credit Monitoring, ESG specialists, and other control functions. They collaborate to develop policies and procedures, support the first line of defence, and ensure adherence to the limits specified in the policies to meet FHFL's overall goals and regulatory requirements. The credit monitoring unit tracks payments and repayments, detects early signs of default, and escalates issues. The legal team ensures that loan agreements are appropriately structured to limit the Company's liabilities and manages legal and regulatory risks effectively.

**THIRD LINE OF DEFENCE –
Internal Audit**

The Internal Audit function, which reports to the Board Audit and Risk Committee, offers independent assurance that Family Homes Funds Limited's Risk Management and Controls/Compliance (first and second lines) are sufficient and function effectively. The department, staffed by highly qualified and experienced personnel, undergoes internal and external quality assessments to enhance the quality of its assurance services. Internal audit consistently reaffirms its independence from management to the Board.



SUPPORTING GOVERNANCE STRUCTURE

The Board and Management committees support the three (3) lines of defence.

Board of Directors:

Approves risk appetite, receives internal audit and compliance reports.

Board Audit and Risk Committee:

Oversees the Risk and Compliance function and the third line of defence, ensuring independence and objectivity of the internal audit function.

Board Project and Portfolio Review:

Provides oversight over the company's policies and practices with respect to sponsored projects.

Board General Purpose Committee (GPC) -

Provides oversight over the company's policies and practices, including Human Resources, procurement and general administrative issues.

Board Finance, Budget and Investment Committee – considers and makes recommendations to the Board on matters relating to the oversight of budget, finance and investment

The following management committees support the implementation of the policies approved by the Board:

1. Executive Management
2. Asset and Liability Management Committee (ALCO)
3. Management Credit Committee (MCC)
4. Project and Portfolio Review Committee – (PPRC)

COMMITMENT TO ETHICS AND GOOD BUSINESS CONDUCT

The Company remains dedicated to transparency in its operations. A whistleblowing policy has been established, allowing both internal and external stakeholders to report any instances of unethical behaviour. The Company adheres to a code of ethics and business conduct in its decision-making processes. At each meeting of the Board or management committees, every member must disclose any interest they have in proposals under discussion.

Chapter 3

FHFL's Refreshed Business Strategy

A Strategy Anchored in Resilience



In a housing market as complex and challenging as Nigeria's, a resilient business strategy is imperative. For Family Homes Funds Limited, strategy is more than a plan, it is the compass that guides us through economic headwinds, capital constraints, and evolving social needs while keeping us firmly aligned with our mission to provide affordable and sustainable housing.

The inauguration of FHFL's new Board in 2024 brought renewed energy, vision, and guidance. Under their stewardship, the company refined its long-term plan and executed a focused business strategy that balanced ambition with discipline.

The Board's unwavering support was instrumental in shaping a roadmap that not only emphasizes operational efficiency and financial sustainability but also deepens our commitment to impact – delivering affordable homes, creating jobs, supporting local economies, and influencing the broader housing policy environment in Nigeria.

As a trusted partner to government and other stakeholders, FHFL is uniquely positioned to bridge the gap between policy and implementation. By working closely with the Federal and State Governments and other agencies and institutions, FHFL's strategy does not stop at housing delivery. It extends to strengthening housing policy frameworks, introducing innovative financing models, and creating ripple effects across industries and communities nationwide.

THE TRANSFORMATION PHASE OF THE 2023–2030 PLAN.

The 2024 business strategy was anchored on the Transformation Phase of FHFL’s 2023–2030 long-term plan. This phase emphasizes building institutional resilience, scaling impact, and preparing for FHFL’s transition into a globally recognised player in affordable housing.

The Balanced Scorecard was adopted as the performance management system, providing structure and discipline across four perspectives: financial sustainability, stakeholder impact, internal process excellence, and organizational capacity. Within this framework, FHFL pursued twelve corporate objectives, each carefully designed to align with government priorities, strengthen financial health, and deliver measurable outcomes.

STRATEGIC FOCUS AREAS

1. Deepening Impact

- Financing the delivery of 7,172 houses, including 200 social housing units targeted at women.
- Expanding cumulative delivery since inception to over 19,000 homes across 19 states.
- Supporting livelihoods through housing delivery that generated 35,860 direct and indirect jobs in 2024 alone, & cumulatively over 84,000 jobs nationwide.

2. Process Enhancement and Risk Management

- Strengthening risk management frameworks to safeguard capital and enhance investor confidence.
- Achieving a 98% loan performance rate, demonstrating prudence and strong credit discipline.

3. Organizational Capacity and Governance

- Implementing an organizational restructuring that enhanced governance, accountability, and execution.
- Building internal systems to improve corporate image, strengthen stakeholder confidence, and deliver results more efficiently.
- Training 1,250 artisans through the FHFL Artisan Empowerment programme, strengthening Nigeria’s housing value chain while reducing reliance on imported

4. Financial Sustainability

- Growing the balance sheet to ₦169 billion.
- Activating new institutional funds such as the Help-to-Own (HTO) Mortgage Fund and the Rental Housing Fund (RHF).
- Drawing US\$20 million from the African Development Bank’s HTO facility as part of a US\$60 million agreement, securing much-needed long-term foreign currency capital.
- Maintaining strong credit ratings (Aa- by Augusto & Co. and A/A1 by GCR), reflecting stability and investor confidence.

KEY ACHIEVEMENTS IN 2024



7,172 homes financed, including 200 tailored for women beneficiaries.



35,860 jobs created, with cumulative job creation surpassing 84,000.



Good loan performance rate, reflecting strong credit risk management.



US\$20 million drawn from AfDB's HTO facility, advancing affordable mortgage access.



Sustained credit ratings: Aa- (Agusto & Co.) and A/A1 (GCR).



Cumulative housing delivery since inception exceeding 19,000 homes across 19 states.



1,250 artisans trained in housing-related skills.



₦189 billion balance sheet size achieved.

CHALLENGES AND LESSONS

2024 was not without its challenges. High inflation continued to drive up construction costs, testing the affordability of housing projects. Access to long-tenured, appropriately priced funds also remained limited, highlighting the persistent structural issues in Nigeria's financial markets.

Despite these hurdles, FHFL's disciplined execution, supported by the Board's oversight, enabled the company to deliver on its commitments. These challenges reinforced the importance of diversifying funding sources, innovating around local materials and construction methods, and strengthening partnerships to sustain affordability.

FROM TRANSFORMATION TO BREAKTHROUGH

As FHFL prepares to transition into the Breakthrough and Dominant Phases (2025–2030) of its strategic plan, the foundation laid in 2024 provides a springboard for growth. The next five years will focus on:

- **Deepening Affordable Housing Finance:** Expanding mortgage access through products like Help-to-Own while growing new financing instruments such as the Rental Housing Fund.
- **Scaling Project Delivery:** Delivering homes at a pace and scale that materially reduces Nigeria’s housing deficit.
- **Driving ESG Integration:** Embedding climate-smart, socially inclusive, and gender-responsive practices into all projects.
- **Globalizing the Business Model:** Positioning FHFL as a thought leader and replicable model for affordable housing across Africa.

In 2024, FHFL demonstrated that a resilient strategy rooted in discipline, guided by the Board, and executed with purpose can deliver real results even in a challenging environment. With a sharpened focus on impact, financial stability, and innovation, FHFL is not only financing homes but also creating jobs, strengthening communities, supporting local economies, and influencing national housing policy.



As we look to the future, the company remains committed to changing lives through affordable housing, guided by a strategy that is as ambitious as it is pragmatic. FHFL’s journey is proof that when strategy and purpose align, the result is sustainable impact for families and communities across Nigeria.

Chapter 4 Operational Performance

Deploying FHFL's Key Products to Address Nigeria's Housing Needs

Navigating a Challenging Housing Market

Nigeria continues to face one of the most acute housing challenges globally, with a deficit estimated at over 17 million housing units. This gap is compounded by rapid urbanisation, population growth, high construction costs, and limited access to sustainable housing finance. For millions of Nigerians, particularly those in low- and middle-income brackets, homeownership remains out of reach.

The housing sector is further pressured by inflationary trends, foreign exchange volatility, and limited long-term capital for housing finance. These dynamics increase the cost of land, building materials, and mortgage rates – widening the affordability gap and straining public and private efforts to provide decent shelter.

Against this backdrop, Family Homes Funds Limited has remained steadfast in its mission to bridge the gap through innovative financing strategies and targeted interventions. By addressing both the supply side (supporting developers with construction finance, infrastructure funding, and student housing) and the demand side (expanding mortgage access and affordability), FHFL continues to demonstrate that innovative models can make a meaningful difference in tackling Nigeria's urgent housing needs.



Pictures from the Operations Team Strategy Session

KEY ACHIEVEMENTS IN 2024




A. The Renewed Hope Housing Programme

In 2024, FHFL played a leading role in the Federal Government’s flagship Renewed Hope Housing Programme, an ambitious intervention designed to bridge the housing deficit, empower citizens, and stimulate economic growth.

Through the Affordable Housing Fund (AHF), FHFL advanced financing to bankable private sector projects, underscoring our focus on scaling activities in partnership with credible developers while maintaining robust risk mitigation frameworks.

A landmark achievement under this initiative was the financing of 770 housing units in the Karsana District of Abuja. This pilot project, developed in collaboration with the Federal Ministry of Housing and Urban Development (FMHUD), the Federal Mortgage Bank of Nigeria (FMBN), and Continental Civil and General Construction Ltd. (CCGC), is set to deliver modern, affordable homes while serving as a replicable model for other states nationwide.

The Karsana project highlights FHFL’s role not only as a financier but also as a strategic partner in shaping Nigeria’s housing landscape. It represents the beginning of a scalable housing framework that can be rolled out in multiple states under the Renewed Hope initiative, aligning housing delivery with job creation, sectoral reforms, and citizen empowerment.

-  770 homes financed in Karsana, Abuja (pilot project)
-  Partnership with FMWH, FMBN & private developers
-  Scalable model for nationwide replication



B. National Student Housing Programme (NaSHP)

Affordable student housing emerged as a key priority in 2024. Across Nigeria, students face unsafe, overcrowded, and inadequate accommodation that affects both academic performance and well-being. FHFL's National Student Housing Programme (NaSHP) responds directly to this gap by providing purpose-built hostels across all six geopolitical zones.

Approved by the Honourable Minister of Finance in February 2024, NaSHP received a ₦63 billion debt financing allocation. The first tranche of ₦5.2 billion was deployed in June to kickstart the Programme, enabling groundbreaking at the Akwa Ibom State University pilot site and commencement of works in Delta State.

In its first phase, NaSHP is delivering 1,600 bedspaces in 24 tertiary institutions, totaling 38,400 bedspaces nationwide. The two pilot projects alone are expected to provide 3,200 bedspaces, laying a strong foundation for scaling the Programme across Federal and State Universities, Polytechnics, and Colleges of Education.

| | |
|---|--|
| ◀ | ₦63 billion debt financing approved |
| ◀ | 38,400 bedspaces planned |
| ◀ | 3,200 bedspaces already underway |
| ◀ | 24 tertiary institutions across 6 geopolitical zones |
| ◀ | ₦5.2 billion deployed to kickstart pilot sites in Akwa Ibom & Delta States |

This initiative represents a milestone in social infrastructure financing, reinforcing FHFL's role as a catalyst for education, youth empowerment, and community development.



◀ Groundbreaking ceremony of the National Students Housing Programme at the Akwa Ibom State University

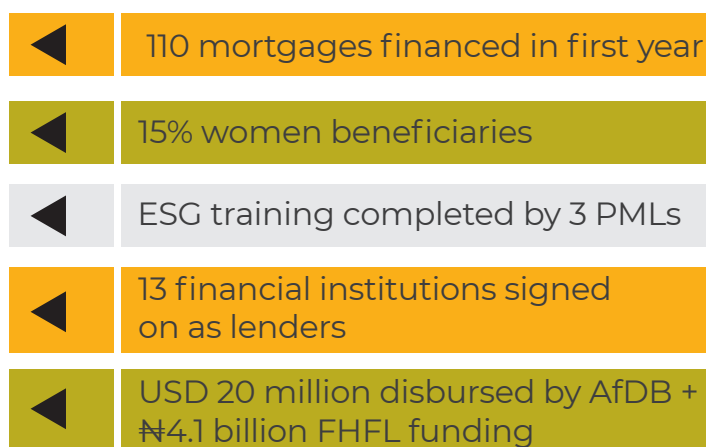
C. Expanding Mortgage Access through Help-to-Own

On the demand side, FHFL deepened its role in housing finance with the full rollout of the Help to Own (HTO) mortgage product. Backed by a USD 20 million tranche disbursed by the African Development Bank (AfDB) and FHFL's ₦4.1 billion counterpart funding, this product has significantly enhanced access to affordable mortgage financing.

In its first year of implementation, Help to Own financed 110 mortgages, with 15% of beneficiaries being women. Thirteen (13) financial institutions, including Homebase Mortgage Bank, Wema Bank, and Stanbic IBTC Bank signed framework agreements as Participating Mortgage Lenders (PMLs).

To ensure sustainability, FHFL also initiated Environmental and Social Governance (ESG) training for PMLs. Three institutions successfully completed the programme during the year, strengthening institutional capacity and embedding responsible lending practices.

By lowering entry barriers, Help to Own has begun to democratise housing finance, proving that innovative mortgage structures can make homeownership possible for ordinary Nigerians.

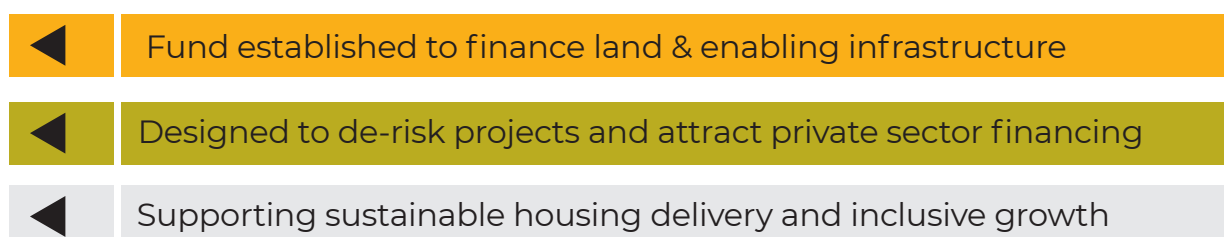


D. Infrastructure Financing through the Land and Infrastructure Development Fund (LIDF)

Recognising that affordable housing delivery is inseparable from land availability and infrastructure, FHFL established the Land and Infrastructure Development Fund (LIDF).

Though still in its early stages, the Fund is designed to mobilise long-term financing for strategic land acquisition, site development, and enabling infrastructure. By doing so, it will help de-risk housing projects, attract private sector participation, and unlock large-scale developments.

The LIDF reinforces FHFL's holistic approach – ensuring that affordable housing is supported by sustainable infrastructure, thereby promoting economic growth and social inclusion.





RESILIENCE IN THE FACE OF CHALLENGES

Despite the challenging macroeconomic environment, FHFL demonstrated resilience and adaptability in 2024. Rising inflation and cost volatility tested our operating model, yet through innovative financing structures and partnerships, we sustained delivery across multiple fronts.

The ability to finance large-scale supply-side projects like Renewed Hope and NaSHP, while simultaneously expanding demand-side affordability through Help to Own, reflects FHFL's unique institutional strength. This dual approach positions us not only as a financier but as a system enabler within Nigeria's housing ecosystem.

Looking ahead, FHFL is strongly positioned to scale these interventions and deepen our impact. With the Renewed Hope Programme as a platform, NaSHP laying new ground for student accommodation, and Help to Own expanding access to mortgages, FHFL is steadily building a foundation for inclusive housing development.

The year's achievements demonstrate our ability to survive, innovate, and grow even in difficult times. More importantly, they reaffirm our central role in addressing Nigeria's housing challenge with solutions that are practical, scalable, and sustainable.



Commissioning of the FHFL Affordable Housing Estate in Uyo by the Executive Governor of Akwa Ibom State, His Excellency, Pastor Umo Eno, joined by the Managing Director of FHFL, Abdul Muttalab Mukhtar

DELIVERING THE AFFORDABLE HOUSING PROJECT IN AKWA IBOM STATE

In 2024, FHFL delivered a landmark project in Akwa Ibom State with the launch of a major affordable housing project aimed at bridging the housing gap in the South-South region. This initiative reflects our commitment to ensuring that affordable housing opportunities reach all parts of Nigeria, especially states with high urbanisation rates and growing demand for decent shelter.

The Akwa Ibom project, developed in partnership with the State Government and private sector contractors comprised of 236 affordable housing units in its first phase. These homes are targeted at low- and middle-income families, civil servants, and young professionals, ensuring inclusivity across demographics.

Beyond housing delivery, the project generated over 700 direct and indirect jobs during construction, stimulating local economic growth while building

capacity in the construction value chain. It also incorporates community infrastructure, including access roads, drainage systems, and green spaces – demonstrating FHFL’s holistic approach to sustainable development.

The groundbreaking ceremony, held in Uyo earlier in the year, was attended by representatives of the Akwa Ibom State Government including the Governor of the State, His Excellency Pastor Umo Eno; FHFL leadership, and community stakeholders. The project has been widely welcomed as a model for sub-national housing development, showcasing how partnerships at state level can accelerate the delivery of affordable housing nationwide.

With this milestone, FHFL continues to extend its reach, proving that affordable housing can be both scalable and regionally inclusive, while aligning with the Federal Government’s Renewed Hope Agenda.



BENEFICIARY STORIES

Providing Homes that Change Lives

For us at FHFL, every housing project is more than bricks and mortar – it is about people, families, and communities. Our housing programmes are designed not only to provide shelter but also to create opportunities for empowerment, skills development, and dignity. The following testimonies from beneficiaries across Nigeria highlight the human impact of our work and show how affordable housing is helping to transform lives and futures.

Celebrating Handover of Home Keys to Help-to-Own Programme Beneficiaries

In August, FHFL proudly handed over home keys to six new homeowners under its transformative Help to Own (HtO) programme. This milestone marked a significant step forward in the journey to make affordable homeownership a reality for low-income Nigerian families.

The Help to Own programme is designed to reduce the barriers to homeownership by allowing families to move into their first homes with just a 10% down payment. The remaining 90% of the home cost is covered by the programme, with flexible repayment terms over a period of up to 20 years. This initiative is a testament to FHFL's commitment to ensuring that every Nigerian has access to safe, affordable, and sustainable housing.



At the handover event, the beneficiaries expressed their joy and gratitude, highlighting the profound impact this opportunity will have on their lives. The programme not only enables families to achieve the dream of homeownership but also contributes to job creation and broader socio-economic development across the country.



"Today's event underscores our mission to provide affordable housing solutions that empower Nigerian families," said FHFL Managing Director, Mr. Abdul Mutallab Mukhtar, represented by the General Manager, Finance, Madam Nkeiru Arum. "The Help to Own programme is a powerful tool for reducing housing deficits, creating jobs, and driving economic growth. We are proud of the impact it continues to make."

Since its official take-off in 2024, the Help to Own programme has facilitated homeownership for at least 110 families, creating over 200 jobs in the process. FHFL remains committed to expanding its reach and ensuring that more Nigerians can benefit from this groundbreaking initiative.

The handover ceremony for the six beneficiaries materialised through a partnership between FHFL and Modern Shelter – the property developer; and CityCode Mortgage Bank Limited – the partner mortgage lender.

A RESIDENT'S STORY:

Mr. Chukwuemeka Anthony Agbakaizu

The affordable housing estate in Grand Luvu is a clear example of how residents can benefit directly, gaining employment, skills, and improved livelihoods while their communities receive better infrastructure.

One of the beneficiaries of the Grand Luvu Estate project is Mr. Chukwuemeka Anthony Agbakaizu, a local resident who was actively engaged during a scheduled contract works in the estate. Mr. Agbakaizu was hired as a stock keeper and later took on supervisory roles, contributing to the quality and timely completion of works within the estate.

His responsibilities included:

- Fencing Works – monitoring materials and ensuring construction met standards.
- Water Reticulation – supervising installation of channels for estate-wide distribution.
- Road Grading – overseeing surface leveling to improve accessibility and mobility.



Impact of Participation

Mr. Agbakaizu describes his involvement as both empowering and rewarding. His engagement with the project provided him with:

- **Employment opportunities** during the project's implementation.
- **Financial support**, improving his ability to sustain his household.
- **Hands-on supervisory experience** in estate infrastructure development.

These experiences not only improved his immediate livelihood but also enhanced his skills for future opportunities.

Broader Significance

Mr. Agbakaizu's story reflects the dual impact of the Grand Luvu Estate development:

1. **Infrastructure Development** – new fencing, reliable water distribution, and improved roads that uplift the community.
2. **Community Empowerment** – direct participation of residents, leading to job creation, income generation, and skills transfer.

This approach shows how FHFL projects extend beyond housing, and into platforms for local empowerment and community growth.

FINDING A HOME AT GIDAN IYALI ESTATE, KADUNA

It is no news that homeownership remains a distant dream for many Nigerians due to high costs and limited financing options. For Mr. Musa Iliyasu, a staff member at the Nigeria Television Authority (NTA), Kaduna Network Centre, this dream became reality through Family Homes Funds' Gidan Iyali Estate in New Millennium City, Kaduna.

Discovering Gidan Iyali Estate

Mr. Iliyasu first learned about the estate through his brother-in-law, who works with the Federal Mortgage Finance Agency. Seeking an affordable housing option, he was introduced to Gidan Iyali Estate - a development he had not previously known existed. Upon visiting, he was immediately impressed by its planning and facilities.

Why He Chose Gidan Iyali Estate

Several factors convinced Mr. Iliyasu that the estate was the right choice for him and his family:

- **Location:** Situated along a major dual carriageway, with well-laid internal road networks for easy accessibility.
- **Utilities:** 24-hour water supply and steady electricity ensured convenience and comfort.
- **Flexible Payment Plan:** An affordable structure that allows buyers to begin with 25% of the cost, take possession of their homes at 50% payment, and complete the balance gradually. For Mr. Iliyasu, as a civil servant, this was a rare and valuable opportunity to own a home.
- **Security:** A safe and secure environment where residents feel protected.

Living the Experience

After two months of living in the estate, Mr. Iliyasu expressed deep satisfaction with both the quality of the home and the community environment.



"As an ordinary civil servant, owning a home here is a great opportunity. I feel safe, comfortable, and proud to be part of this community," he shared.

Encouraging Others

Inspired by his own experience, Mr. Iliyasu has become an advocate for Gidan Iyali Estate. He is encouraging relatives, friends, and colleagues to explore the opportunities offered by FHFL estates. "I will do my best to spread the word so others can also benefit," he said with gratitude.

Mr. Iliyasu's story reflects the broader mission of FHFL – making homeownership accessible to hardworking Nigerians through affordability, flexible financing, and well-planned communities. Developments like Gidan Iyali Estate are not only addressing Nigeria's housing deficit but also restoring dignity and security to families across the country.

LEVERAGING PROJECT MANAGEMENT FOR HOUSING DELIVERY

Family Homes Funds Limited has translated a clear mandate into a powerful impact on Nigeria's housing landscape. Today, our disciplined approach to project management has resulted in the monitoring of over 19,000 units, which includes 14,293 affordable housing units, and 3,200 students' bedspaces. This effort has also led to the completion of 12,223 homes and the creation of over 80,000 jobs across over 60 projects in 16 states. These tangible results are a testament to the rigorous application of core project management principles, including meticulous planning, robust controls, and strategic partnerships.

The Challenge and Mandate:

Recognizing the challenges facing housing in Nigeria, Family Homes Funds Limited was established with a clear mandate: to deliver affordable housing on a large scale, in a sustainable way, and with a tangible social impact.

However, a clear vision is not enough to build homes. Without strong project management, there is a risk of financial losses, cost overruns, and missed deadlines. The story of FHFL demonstrates how disciplined execution can be applied to a sector that has historically been inefficient and underperforming

FHFL's Project Management Road Map

The foundation of FHFL's success lies in a structured, multi-faceted project management road map designed to manage key project variables from inception to completion.

Scope and Governance Control:

Every project is subject to a rigorous stage-gate governance process. By conducting standardised technical, credit, and investment appraisals, we ensure that only projects with clearly defined scopes and a high probability of success proceed. Board-level approvals anchor accountability, and continuous progress reviews ensure alignment with project objectives.

Risk, Cost, and Schedule Management:

FHFL actively mitigates the inherent volatility of the housing sector through proactive management of project risks, costs, and schedules. We establish and strictly adhere to budget baselines and quantity-survey checks. Also, value engineering is applied to optimise designs without compromising quality, while phased construction and milestone-based disbursements make projects resilient to inflationary shocks and ensure a steady cash flow.

Quality and ESG Integration:

Our commitment to quality extends beyond construction standards to include social and environmental responsibility. Through our Environmental and Social Management System (ESMS), we integrate Environmental and Social Safeguards (ESG) into every stage of a project. This ensures that our projects not only meet demand but also protect communities and the environment.

Partnerships as a Force Multiplier

FHFL leverages strategic partnerships as a force multiplier and utilises innovation as a core project management tool to deliver projects more efficiently.

Stakeholder Management:

We recognise that no single entity can solve the housing deficit alone. Our achievements are a direct result of effective stakeholder management, forging crucial partnerships with institutional investors like the Nigeria Sovereign Investment Authority (NSIA), private developers, and specialised institutions to secure funding and unlock new opportunities.



Innovation in Design and Procurement:

Innovation is central to our approach to cost and schedule management. We use standardised, climate-appropriate designs to achieve scale and efficiency, while prioritising local materials and contractors to reduce costs and shorten delivery times. The adoption of digital procurement tools further enhances transparency and minimises risks associated with project spending.

Tangible Results from Effective Project Management:

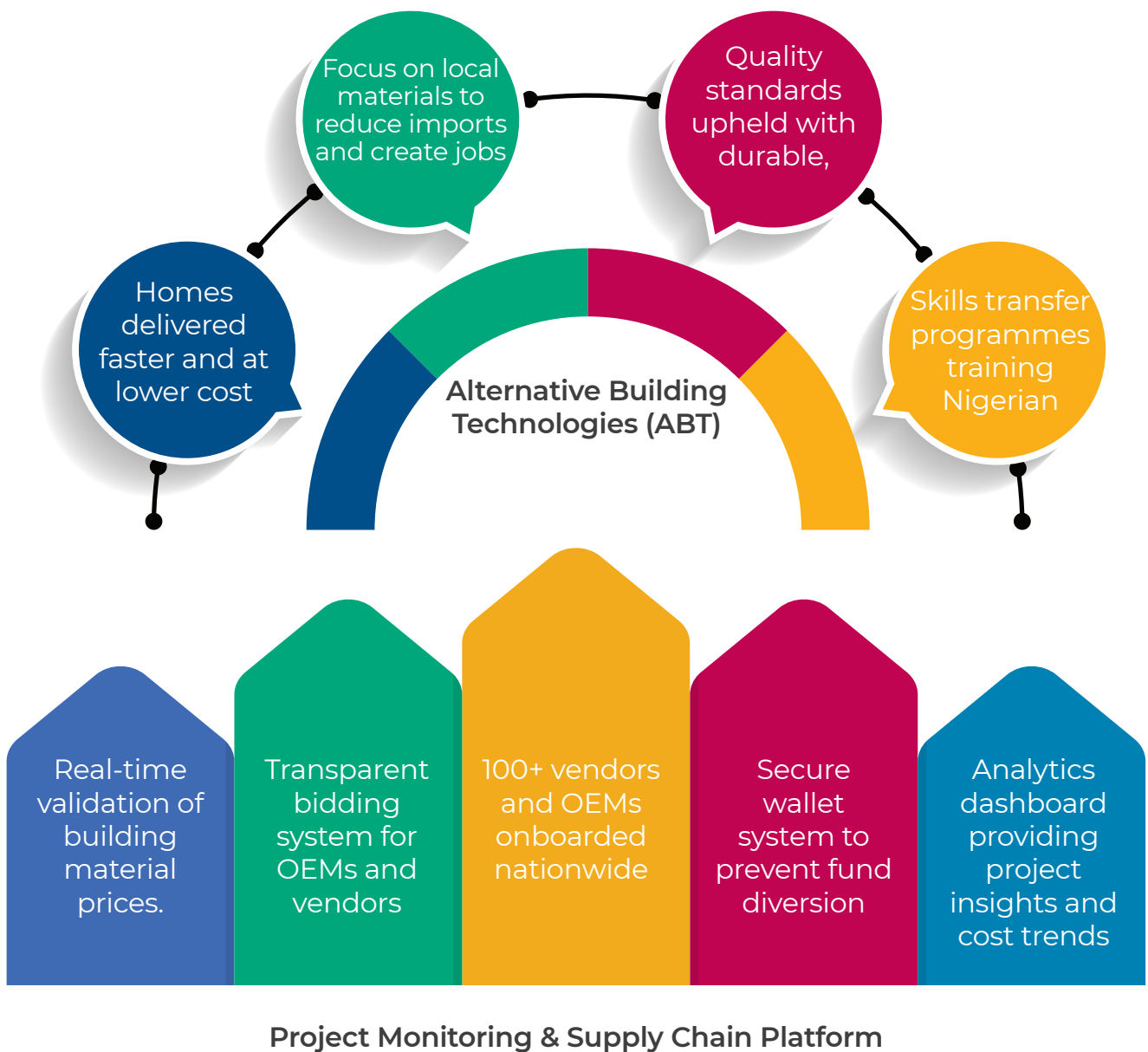
Through disciplined project management, Family Homes Funds has delivered tangible results, making a significant impact on communities across Nigeria. Our achievements include the completion of over 19,000 homes across over 60 projects in 16 states. These projects have created over 80,000 jobs in the construction and allied industries.

UNLOCKING KEY DRIVERS IN THE HOUSING VALUE CHAIN

In alignment with the Federal Government’s Renewed Hope Agenda, Family Homes Funds Limited has continued to design frameworks that reduce Nigeria’s housing deficit while protecting low-income households from the twin pressures of inflation and limited purchasing power. Central to this effort is the promotion of innovation and efficiency across the housing value chain – ensuring that affordable homes are delivered faster, at lower costs, and with higher quality.

In 2024, FHFL advanced two key drivers of this strategy: Alternative Building Technologies (ABT) and a Project Monitoring, Visibility, and Supply Chain Platform. Together, these initiatives are reshaping how affordable housing is delivered in Nigeria.

At a Glance – 2024 Value Chain Drivers



FHFL recognises that traditional construction methods alone cannot meet Nigeria's urgent housing needs. To address this, we explored and adopted Alternative Building Technologies, prioritising solutions that are both innovative and locally adaptable.

Our approach considered the availability of raw materials within Nigeria, ensuring that ABTs could be deployed sustainably and at scale. The technologies selected were guided by four critical principles:

Speed:

Homes must be delivered faster to meet rising demand.

Skills Transfer:

Technologies must create opportunities for training and knowledge transfer to Nigerian artisans and workers.

Cost Efficiency:

Lowering construction costs makes housing more affordable for low-income earners.

Quality and Local Content:

Using durable, high-quality, and locally sourced materials reduces reliance on imports while creating jobs.

By embedding these principles, FHFL is not only improving housing delivery but also building local capacity and strengthening the construction ecosystem.

PROJECT MONITORING, VISIBILITY & SUPPLY CHAIN PLATFORM

To further optimise operations and ensure transparency, FHFL developed a digital platform that transforms how projects are monitored and how building materials are sourced and delivered. This innovation enhances efficiency while supporting accountability across every stage of project delivery.



Key Features of the Platform Include:



Integrated Project Management:

Customised for FHFL's operations, the platform enables end-to-end monitoring of pre- and post-project development, supply chain services, project appraisals, and reporting.



Transparent Bidding System:

Original Equipment Manufacturers (OEMs) and major vendors participate in a competitive, digital bidding process that validates prices in real time, ensures competitiveness, and standardises building materials nationwide.



Vendor Onboarding:

Nationwide integration of OEMs, major vendors, and retailers creates a streamlined supply chain that reduces bottlenecks and improves cost control.



Financial Safeguards:

A secure wallet system ensures that funds are applied directly to material procurement and delivery, minimising diversion risks.



Data and Analytics:

A robust reporting dashboard with analytical tools provides real-time insights on material pricing, supply chain trends, and project progress.



Institutional Control:

The platform is whitelisted for FHFL, ensuring system integrity and exclusivity.

Together, ABT and the digital supply chain platform represent a significant step forward in strengthening the housing value chain. By reducing costs, improving transparency, and supporting skills development, FHFL is ensuring that more Nigerians, especially low-income families, can access decent homes.

Looking ahead, these initiatives will be scaled across more projects, creating a replicable model for affordable housing delivery in Nigeria and positioning FHFL as a leader in innovation-driven housing solutions.

EXPANDING IMPACT THROUGH STRATEGIC PARTNERSTHIPS

Why Partnership is at the Heart of our Operations

Addressing Nigeria’s housing deficit requires more than financing. It demands strong partnerships that combine policy support, capital mobilisation, technical expertise, and local ownership. Recognizing this, FHFL has placed collaboration at the heart of its operations. By working closely with international development partners, government institutions, the private sector, and local communities, FHFL is able to expand its reach, deliver innovative projects, and align its interventions with both national and global priorities.

In 2024, these partnerships were pivotal in strengthening FHFL’s financial base, broadening our technical expertise, and creating scalable, people-centered solutions.

A. International and Development Partnerships

Norwegian Refugee Council (NRC)

FHFL deepened collaboration with NRC to develop solutions for internally displaced persons (IDPs). Together, both organizations commissioned a nationwide research project to map IDP households and housing needs. A joint concept note was also developed on IDP Housing Finance, exploring blended models that combine grants, concessional loans, and private equity.

Impact: Positioned FHFL as a credible partner in humanitarian housing finance and expanded donor confidence in our work.

United Nations Agencies (UN-Habitat, IOM, UNDP)

Multiple UN agencies supported FHFL programmes in 2024: UN-Habitat provided technical guidance on sustainable housing frameworks, while IOM collaborated on resettlement projects to integrate housing with livelihoods. UNDP supported policy dialogue and ESG integration.

Impact: Elevated FHFL projects onto international platforms, aligning them with global standards and attracting visibility and support.



Meeting with the UN delegation

Islamic Development Bank (IsDB)

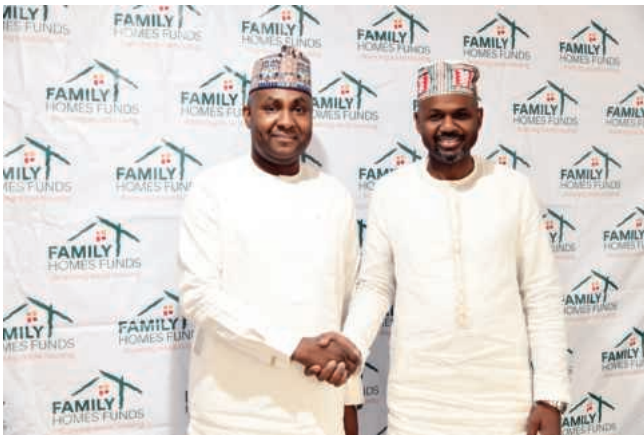
FHFL advanced discussions with IsDB to create a blended finance framework for affordable housing. IsDB expressed readiness to mobilise concessional funding and guarantees for FHFL projects.

Impact: Strengthened FHFL's financial base and enhanced capacity for nationwide housing delivery.

African Development Bank (AfDB), Agence Française de Développement (AFD), and other DFIs

Through DFIs, FHFL mobilised long-term, concessionary capital and technical assistance. These collaborations provided financing while also embedding ESG compliance, energy efficiency, and climate resilience into our housing programmes.

Impact: Ensured FHFL's projects met international standards and leveraged global best practices.



Shelter Afrique delegation led by its MD, Thierno-Habib Hann during a visit to FHFL

B. National Government and Agencies

FHFL maintained strong alignment with the Federal Ministry of Finance (FMOF), Federal Ministry of Housing and Urban Development (FMHUD) and the Federal Mortgage Bank of Nigeria (FMBN). FMOF continued to provide its leadership and direction; FMHUD provided policy direction and land access, while FMBN enhanced affordability for homebuyers through mortgage financing products.

FHFL also partnered with the National Commission for Refugees, Migrants and Internally Displaced Persons (NCFRMI) to ensure interventions for IDPs were consistent with national policies, and with the Ministry of Budget and Economic Planning, which funded social housing for widows and disadvantaged groups.

In addition, engagement with the National Agency for Science and Engineering Infrastructure (NASeni) supported the use of innovative local building technologies – reducing costs, creating jobs, and advancing Nigeria's housing industrialization agenda.

Impact: Strengthened government ownership of projects, reduced land acquisition bottlenecks, and ensured policy coherence.

State Governments

Historically, state governments are very important partners of FHFL, and this relationship has translated into the provision of thousands of homes and jobs. 2024 was no different. State governments such as Kaduna, Cross River, and Oyo provided land and enabling infrastructure for FHFL projects. These partnerships not only accelerated delivery but also created stronger state-level ownership of housing initiatives.

Impact: Expanded FHFL's reach across the country while building trust with local authorities.



The MD of FHFL, Mr Abdul Muttalab Mukhtar hosting the Honourable Commissioner of Housing, Bauchi state, Mr Ahmad Kawule, and the Director of Housing, Bauchi state, Yamai Muhammad on FHFL's ongoing partnership with the state



C. Private Sector and Industry Partnerships

Developers and Innovators

FHFL worked with credible private developers and contractors to deliver affordable homes at scale while upholding safety and ESG standards. In partnership with Empowa, innovative fintech and blockchain tools were piloted to mobilise new streams of housing finance through digital tokens.

Discussions also advanced with InfraCredit to explore credit enhancement instruments capable of unlocking domestic institutional capital from pension funds and insurance companies.

FHFL also strengthened its relationship with the Mortgage Banking Association of Nigeria (MBAN) and began a new one with the Pension Fund Operators Association (PenOp) to mobilise support and increase awareness for the Help to Own mortgage programme across the country.

Impact: Opened up non-traditional financing channels and expanded opportunities for scale.

Mortgage Advancement Partnership with Greater TAF City

FHFL struck a strategic partnership with TAF Africa Global Limited (TAG), to provide affordable mortgages for the new homes being constructed by the developer at the Greater TAF City in Port-Harcourt, Rivers State. This collaboration aims to enhance access to quality housing for low- and middle-income families, fostering sustainable community development.



The Greater TAF City is a special housing programme designed for residential, work and leisure purposes located within the Greater Port-Harcourt Area of Rivers State. The project comprising of 3,000 units is a partnership between TAF Africa Global Limited and the Government of Rivers State aimed at increasing access to affordable housing for the people of the state.

To make this dream possible, Family Homes Funds Limited signed a cooperation agreement with the partners to provide affordable and flexible mortgages for the beneficiaries through the Help-To-Own Fund. This partnership underscores FHFL's commitment to empowering families with financial tools that support their journey towards owning a home.

D. Industry and Community Engagement

Partnership with the Real Estate Developers Association of Nigeria (REDAN) ensured industry-wide collaboration, while direct engagement with host communities secured local buy-in. Programmes like the Family Homes Funds Artisans Skills Training (FAST) equipped young Nigerians with construction-related skills, ensuring projects created both homes and livelihoods.

Impact: Enhanced community ownership, supported SMEs and artisans, and ensured housing delivery was inclusive and locally relevant.



Partnerships at a Glance

| Partner/Category | Key Collaboration | Impact |
|---|--|--|
| Norwegian Refugee Council (NRC) | Nationwide IDP housing research & IDP Housing Finance concept note | Positioned FHFL as a trusted partner in humanitarian housing finance |
| UN Agencies (UN-Habitat, IOM, UNDP) | Technical guidance, resettlement integration, ESG alignment | Elevated FHFL projects to global platforms, attracting international support |
| Islamic Development Bank (IsDB) | Blended finance framework discussions | Mobilising concessional funding and guarantees for affordable housing |
| African Development Bank (AfDB), AFD & DFIs | Long-term concessional capital & technical support | Strengthened ESG, climate resilience, and financial sustainability |
| Federal & State Governments | Land provision, social housing funding, policy alignment | Reduced land bottlenecks, expanded reach nationwide |
| INCFRMI | Alignment with IDP policies | FHFL positioned as government's preferred housing partner for IDPs |
| NASENI | Adoption of local building technologies | Reduced costs, created jobs, supported industrialization |
| Private Sector Developers (incl. Empowa) | Affordable housing delivery, fintech & blockchain pilots | Opened non-traditional housing finance channels |
| InfraCredit | Credit enhancement discussions | Potential to unlock pension and insurance capital for housing |
| MBAN, PenOp | Effective partnership agreements | Deepening affordable mortgage access |
| REDAN & Community Partners | Industry alignment, community engagement, FAST training | Secured buy-in, supported SMEs, created jobs and skills for youth |



SUSTAINABILITY AT FHFL

In the last 12 months, FHFL has taken actionable steps towards sustainability in a rapidly changing world.



Our Approach

Our approach involves introduction of ESG requirement as an eligibility criteria for financing develop and the adoption of alternative building technologies.



Employee Participation

Our employees spearhead transformative change, fostering a sense of unity and pride within our organization and the communities we serve.



Promoting Sustainability

FHFL's activities ensure alignment to the sustainability of the environment in which we serve.



Community Development

We focus on adding value to the communities where we operate, enhancing their lives and leaving them better equipped to succeed themselves.

FHFL is committed to building climate resilient communities through institutionalizing ESG frameworks and policies in our multi-faceted funding structure.



DRIVING INNOVATIVE HOUSING PROGRAMMES

Why Innovation Matters to Us

The sheer scale of the housing problem in Nigeria means that conventional approaches, which are dependent solely on government allocations or traditional mortgage structures cannot bridge the gap. Millions of Nigerians, particularly those in low-income groups, remain excluded from safe, secure, and affordable housing.

This reality underscores why innovation must drive FHFL's interventions. The housing crisis is not just about bricks and mortar; it is intertwined with issues of unemployment, poverty, inequality, and climate resilience. By embedding innovation into its programmes, FHFL is not only helping to close the housing gap but also addressing broader social and economic challenges.

In 2024, FHFL strengthened its reputation as a catalyst for change by launching and scaling innovative programmes that blend affordability, sustainability, and inclusion. These initiatives are transforming lives, ensuring that homes are delivered alongside opportunities for skills development, employment, and climate-smart living.

The Social Housing Programme

One of the flagship innovations in 2024 was the Social Housing Programme, introduced under the Federal Government's National Poverty Reduction with Growth Strategy (NPRGS). This programme targets Nigerians at the bottom of the economic pyramid who have historically been locked out of the formal housing market.

It combines two essential elements:

1. Affordable homes that provide dignity, safety, and climate resilience.
2. Economic empowerment through capacity building, employment, and integration into housing value chains.

The philosophy behind the programme is simple but powerful: housing is not only about shelter – it is about people, livelihoods, and communities.

PERFORMANCE AND IMPACT IN 2024

The Social Housing Programme recorded significant progress during the year, with clear outcomes that demonstrate its potential for scale:

- 220 affordable homes constructed and earmarked for Nigeria's most vulnerable groups.
- 500+ beneficiaries trained in vocational skills, including artisanship, masonry, carpentry, and small business management. Women-led households, youth, and traders were strongly represented among participants.
- Pilot estates in Kaduna and Enugu delivered with features such as solar electrification, rainwater harvesting, and energy-efficient building materials.
- 60% of trained artisans absorbed directly into FHFL's housing projects, while others found jobs in the broader construction industry.
- Strong community partnerships built, ensuring projects are locally owned, accepted, and accessible.

Integrating Climate-Smart and Inclusive Design

The homes delivered under the Social Housing Programme are more than just affordable; they are sustainable. By incorporating renewable energy and resource-efficient systems, FHFL is setting a new benchmark for low-cost housing in Nigeria. Solar electrification reduces household energy costs, while rainwater harvesting supports water resilience in urban communities.

Equally important is the design of housing layouts, which are intentionally planned to foster community living, inclusion, and social cohesion. By creating environments where families can thrive together, the programme extends impact beyond physical housing to the fabric of society itself.

Empowering People Through Skills and Jobs

A central component of FHFL's innovation is its Artisan Empowerment Initiative, which was expanded in 2024. This initiative ensures that every housing project doubles as a platform for skills training and job creation.

Through this approach, housing delivery supports human capital development by equipping beneficiaries with employable skills. Many of the artisans trained during the year have been retained as part of FHFL's ongoing projects, while others have secured jobs in the wider industry.

This model reduces reliance on foreign labour, strengthens Nigeria's construction workforce, and injects income into households. For many young people and women-led households, participation in FHFL's projects has been a life-changing entry point into sustainable livelihoods.



Data-Driven Impact Snapshot – 2024 Social Housing Programme

| Key Indicator | Performance in 2024 |
|--|---------------------|
| 700+ opportunities | 220 units |
| Beneficiaries trained in skills/livelihood | 500+ people |
| Women-led households among trainees | >35% |
| Pilot estates commissioned | Kaduna, Enugu |
| Renewable energy systems integrated | Solar & rainwater |
| Artisans absorbed into FHFL projects | 60% of trainees |
| Jobs created (direct & indirect | 700+ opportunities |

Aligning with National Development Goals

The Social Housing Programme contributes directly to Nigeria's National Poverty Reduction with Growth Strategy (NPRGS). By combining affordable housing with training and income generation, it supports three national priorities simultaneously:

1. Reducing poverty by providing shelter and livelihoods.
2. Promoting inclusive economic growth through local jobs and enterprise.
3. Strengthening climate resilience via sustainable construction methods.

Through these interventions, FHFL is positioning itself as a national leader in climate-smart and inclusive housing delivery.

Building on the Momentum

The progress recorded in 2024 has created a tested, scalable model for future interventions. By delivering homes that are affordable, sustainable, and socially inclusive, FHFL is demonstrating that housing can be a tool for empowerment and transformation.

The next phase of the Social Housing Programme will focus on expanding to additional states, deepening renewable energy integration, and scaling up artisan training to reach thousands more beneficiaries. FHFL also intends to strengthen monitoring systems to track long-term outcomes for households and communities.



Chapter 5

Our Sustainability & ESG Commitments

Sustainability and ESG Update

Family Homes Funds Limited (FHFL), as an impact-driven institution, places sustainability and Environmental, Social, and Governance (ESG) principles at the centre of its strategy. Beyond financing affordable housing, FHFL integrates ESG considerations into operations, investment frameworks, and stakeholder engagements to deliver lasting value for people, communities, and the environment.

As a housing finance institution, we recognise the profound ecological footprint of the built environment and the powerful leverage of our capital. Our commitment is to use this position to actively influence and elevate environmental stewardship and compliance across our entire portfolio. We are committed to leading the transition to a sustainable housing sector and directing financing towards green buildings and resilient communities.

Furthermore, we are becoming increasingly strategic in our partnerships, aligning with organisations that share our ambition to finance a future where planetary health is foundational to economic growth.

This year was defined by actionable commitment and tangible results across our Funds and internal operations. The following shows these achievements and demonstrates the progress we are making in creating sustainable and equitable impact across our investments.

Goals

Initiatives (Environment)

ESG-focused lending and compliant projects.



All 2024 lending decisions are subject to and informed by a formal E&S appraisal, as mandated by our ESMS policy, and integral to the Management Credit Committee's financing approval.

The ESMS framework was revised in 2024 to align with evolving international best practices and to directly integrate insights and recommendations from our DFI partners.

Build strategic partnerships to support our green housing Initiatives



In 2024, embarked on a quest to incorporate green housing developments in our pipeline of housing projects. The objective is to minimise our ecological footprint through energy-efficient designs, responsible resource consumption, and green lending initiatives

In 2024, we:

1. Formalised two key industry partnerships with:
 - Green Building Council Nigeria (GBCN) to align our housing finance strategy with national climate goals.
 - National Agency for Science and Engineering Infrastructure (NASENI) to support our low-carbon and resource-efficient housing development goals through alternative building technologies.
2. Set up a Sustainability Hub to explore and run live models on alternative building technologies and green housing designs aimed at mainstreaming sustainable and affordable housing construction.

Goals

Initiatives (Social)

Financial and Social Inclusion



FHFL is committed to reducing inequalities and access to affordable homeownership for Nigerians. These efforts contribute directly to broader national and global goals on poverty alleviation and sustainable livelihoods.

In 2024, our Funds and projects materialised the following outcomes:

- Financed over 19,000 affordable homes across 19 states, directly tackling the housing deficit and improving the quality of life of Nigerians.
- Supported over 100 first-time homeowners through our Help-to-Own long-term, low-interest mortgage product. Its focus on social inclusion extends to female subscribers, who accounted for over 20% of disbursements.
- Empowered over 220 disadvantaged women with not just housing, but complete livelihood packages including vocational training and start-up capital.
- Created over 80,000 direct and indirect jobs through construction, artisanal skills training, and the use of local contractors, artisans, and suppliers.

Implemented two specialised artisanal training programmes targeted at youth empowerment and environmental innovation. These initiatives were designed to build sustainable livelihoods for the next generation while addressing critical urban waste challenges.

- **Upcycling Plastic Waste into Interlocking Pavers:** This training empowered young artisans, including a significant cohort of women, to divert plastic waste from landfills and waterways, transforming an environmental pollutant into a valuable resource for construction and creating new green-economy jobs.
- **Upskilling Artisans in Horticulture and Landscaping:** This initiative equipped a new generation of green entrepreneurs, with strong female representation, with the expertise to support the growing demand for sustainable landscaping, directly contributing to the beautification and environmental health of our communities.

Goals

Initiatives (Social)

Employee welfare, well-being, and professional development



We help our employees to cultivate a holistic work environment that proactively safeguards their physical and mental health, ensuring they feel safe, supported, and valued.

In 2024:

- Continued to provide all staff and their families with year-round, nationwide access to quality healthcare through a robust HMO package.
- Conducted annual Health & Safety training, emphasising routine medical check-ups and personal health management.
- Targeted initiatives such as TGIF, sport, and the end-of-year event to foster team bonding.
- Run a structured onboarding system that ensures every new hire is set up for success and empowered to grow with us.

Learning & Development



FHFL is very invested in empowering every employee with continuous opportunities for professional growth, skills enhancement.

- Implemented FHFL-funded targeted local and international training programmes to ensure employees' skills remain at the forefront of industry standards and technological advancements.
- Launched the Knowledge Sharing Session (KSS), a dedicated forum for employees to share expertise, promoting collaborative learning and innovation.

Fostering organisation-wide ESG competencies and skills

We are building deep ESG expertise across the organisation through targeted upskilling. In 2024, we equipped our team with specialised training in:

- Environmental & Social Risk Management, which equipped cross-functional teams with the skills to effectively identify and manage E&S risks, enhancing the implementation of our ESMS.
- Onboarded key teams on the IFRS S1 and S2 standards, proactively building readiness for the Financial Reporting Council of Nigeria's compliance requirements and strengthening our sustainability reporting capabilities.

Goals

Initiatives (Social)

Strong Corporate Governance



FHFL is committed to fostering a culture of transparency, accountability, and unwavering ethical conduct, ensuring that our actions consistently align with global best practices and reflect the interests of our diverse stakeholders.

Guided by a diverse and independent Board of Directors committed to ESG principles, our governance framework embeds ethical values and robust risk management at the heart of our mission to create long-term value.

Enterprise Risk Management and ESG Risk are overseen by a dedicated Audit and Risk Management Committee of the Board. Integrated across all business functions, our internal control mechanisms are designed for end-to-end risk management, from prevention and detection to resolution.

Key 2024 Highlights:

- **Policy Review:** The various Board committees commenced and oversaw the organisation-wide review, evaluation, and update of the organisation's policies.
- **Communication and Training on Company Polices:**
 - New employees undergo a compulsory onboarding process on organisational policies.
 - Conducted organisation-wide training on Anti-Corruption, Anti-Money Laundering (AML), and Whistleblower policies.





STRATEGIC PRIORITIES IN THE NEAR FUTURE

FHFL's sustainability and ESG commitments confirm its role as more than a housing financier – it is a catalyst for inclusive and sustainable national development. By embedding environmental responsibility, social empowerment, and governance excellence into its work, FHFL continues to transform lives, strengthen communities, and contribute to Nigeria's long-term growth. We recognise that ESG is an ongoing journey of progress. As we continue to build on this foundation, we remain steadfast in our commitment to continuous improvement, innovation, and proactively addressing the evolving challenges and opportunities on the path to a more sustainable future.

Looking forward, FHFL aims to:

- Revise our ESMS policy to incorporate emerging ESG risks such as climate considerations, grievance management, and feedback from our DFI partners.
- Strengthen ESG governance and enhance the environmental and social risk identification and management tools.
- Expand green building certifications across projects.
- Develop a Green Finance Framework to attract climate-smart investments into affordable housing.
- Forge a strategic partnership with the Federal Ministry of Environment to streamline environmental compliance for Developers through an innovative and abridged ESIA process for our housing projects.
- Scale up social housing programmes with a stronger focus on women, youth, and vulnerable groups.
- Enhance stakeholders' engagement and community participation in project design and monitoring.
- Improve ESG data and reporting systems to demonstrate measurable, long-term impact.
- Develop targeted capacity-building initiatives and increase engagement with Developers on our projects to ensure alignment with our E&S standards and best practices
- Leverage digitalisation and technology to improve efficiency in the ESMS workflows.
- Transitioning our operations to be more resource-efficient and environmental-friendly by setting up an Electronic Document Management System.



Chapter 6

Stakeholder Engagements and Corporate Social Responsibility

Strong stakeholder relationships are at the core of FHFL's mandate to deliver affordable housing. In 2024, FHFL deepened its engagement with partners, policymakers, investors, and communities while also investing in its own people. Through conferences, exhibitions, and strategic meetings, we strengthened external visibility and partnerships. At the same time, internal engagements created a supportive workplace culture where staff are empowered to thrive.

External Stakeholder Engagements

In 2024, Family Homes Funds Limited (FHFL) continued to strengthen its visibility and partnerships through extensive engagements at national and international platforms. These activities reinforced FHFL's leadership in affordable housing finance, deepened collaboration with key stakeholders, and enhanced confidence in our innovative housing solutions.

A. Conferences and Panels

FHFL actively participated in major industry gatherings, showcasing its products, sharing thought leadership, and contributing to policy-shaping conversations. Key highlights included:

Africa International Housing Show (AIHS) 2024 – Abuja



The panel of speakers at FHFL conference session on “Innovative Mortgage Solutions for Affordable Home Ownership” at AIHS 2024

Held from 22nd to 27th July at the National Stadium, Abuja, the AIHS convened local and international stakeholders in housing and finance. FHFL maintained a strong presence through a dedicated booth, interactive sessions, and thought leadership contributions.

Highlights of FHFL’s participation included:

- Hosting a special session on “Innovative Mortgage Solutions for Affordable Home Ownership”.
- Presenting the Help to Own (HTO) product, supported by a beneficiary video testimonial.
- Engaging participants on access to concessionary funding for low- and middle-income homebuyers.
- Promoting collaboration across the housing value chain.

The FHFL-led session attracted robust participation and featured respected industry leaders, including:

- Mr. Mac-Yoroki Ebilate, President, Mortgage Banking Association of Nigeria (MBAN)
- Kayode Omotosho, Former Executive Secretary, MBAN
- Hajiya Saadiya Aliyu, Managing Director, Urban Shelter
- AbdulMalik Mahdi, Managing Director, Modern Shelter
- Jackson Imandi, OFIS, CBN
- Mr. Adedeji Ajadi, Executive Secretary, MBAN

Speakers emphasized the critical role of innovation, public infrastructure, regulatory support, and strategic partnerships in scaling homeownership. FHFL’s leadership was recognized as pivotal in bridging gaps for low-income earners through creative financing solutions.

Quotable Highlights from AIHS 2024 Session

| | |
|---|--|
| <p>“Through our Help-to-Own fund, any family in Nigeria can move into a new home with just a 10% down payment. This is not just an investment in housing, but in the future of families.”</p> <p>- Monsurat Muhammed, Fund Manager, HTO</p> | <p>“Affordable housing requires robust public infrastructure. Developers should focus on building quality homes, not carrying the dual burden of homes and infrastructure.”</p> <p>- Hajiya Saadiya Aliyu, MD, Urban Shelter</p> |
| <p>“FHFL is the hunter that goes to hunt for those not strong enough. We create sustainable models to make long-term housing finance accessible for ordinary Nigerians.”</p> <p>- Nkeiru Arum, GM, Finance</p> | <p>“Housing is a national emergency. It must be prioritized for its power to address Nigeria’s toughest economic challenges.”</p> <p>- AbdulMalik Mahdi, MD, Modern Shelter</p> |
| <p>“To showcase innovative mortgage solutions like FHFL’s Help-to-Own, we need stronger awareness campaigns to reach more beneficiaries.”</p> <p>- Mac-Yoroki Ebilate, President, MBAN</p> | <p>“The regulator is never an obstacle to innovation. The CBN remains both regulator and enabler in promoting housing affordability.”</p> <p>- Jackson Imandi, OFIS, CBN</p> |
| <p>“The mortgage journey in Nigeria has been tedious, but with products like Help-to-Own, the future is promising.”</p> <p>- Kayode Omotosho, Former ES, MBAN</p> | <p>“Together, we can transform dreams into reality, creating a more inclusive and prosperous housing market. FHFL’s Help-to-Own is a strong example.”</p> <p>- Adedeji Ajadi, Executive Secretary, MBAN</p> |

Session Outcomes:

- Enhanced awareness of FHFL as a driver of affordable housing and thought leadership.
- Reinforced industry-wide calls for innovation in mortgage solutions.
- Strengthened networking among stakeholders for future collaborations.

African Union of Housing Finance (AUHF) Conference – Zanzibar

At the 2024 AUHF Conference, FHFL:

- Presented Nigeria’s housing finance model.
 - Shared progress on expanding access to affordable housing.
 - Engaged continental peers on best practices and regional collaboration.
- This reinforced FHFL’s role in shaping Africa’s affordable housing narrative.

Institute of Business Development (IBD) Conference

FHFL facilitated discussions on the socioeconomic benefits of affordable housing, highlighting housing’s role in job creation, poverty reduction, and inclusive economic growth. The engagement underscored FHFL’s leadership in positioning housing as a national development tool.

Real Estate Discussions and Awards (REDA24) – Lagos



FHFL played a central role in REDA24 through:

- A keynote presentation on the Help to Own product, emphasizing affordability and alignment with government housing priorities.
- Panel participation by FHFL’s HTO Product Head, Monsurat Muhammed, on innovative financing solutions for homeownership.

B. Exhibitions

AIHS Exhibition

As a sponsor, FHFL hosted an exhibition booth that attracted prospective homebuyers, partners, and professionals. The booth showcased FHFL's housing projects and financing models with HD screen displays and marketing collaterals.



Activities included:

- Providing information on FHFL products.
- Marketing available homes and issuing Expression of Interest forms.
- Hosting side meetings with prospective partners, led by the Investment Team.



REDA24 Exhibition

FHFL also participated in the REDA24 exhibition, engaging directly with potential customers and policymakers. This platform enabled valuable feedback collection and strengthened client pipelines for follow-up.



C. High-Level Meetings

FHFL held strategic meetings with federal and state governments, multilateral institutions, primary mortgage banks (PMBs), cooperatives, and private developers.

Objectives included:

- Promoting FHFL's financing products and risk-mitigated lending models.
- Expanding distribution channels for the Help to Own product.
- Enhancing ESG compliance, financial reporting, and communication practices.

Key Engagements in 2024:

- Meetings with PMBs (City Code, Homebase, AG Mortgage, and FCMB) focused on onboarding for HTO distribution and improving mortgage processes.
- Training sessions on ESG, compliance, and effective reporting.
- Meetings with institutions such as the Lagos State Development and Property Corporation (LSPDC), Nigeria Immigration Service, Pension Fund Operators Association of Nigeria (PenOp), and Dangote Cooperative. These engagements expanded the reach of HTO, particularly for workers and pension contributors.



D. Signing Ceremonies and Partnerships

FHFL formalized agreements with partners including the African Development Bank (AfDB), Empowa, and state governments, demonstrating its capacity to attract investment and pioneer innovative housing finance models.

Key Partnership:

- MoU with Nasarawa State Government – aimed at improving transparency in housing allocation, boosting homeownership among low-income residents, and supporting state-level housing policies.



E. Housing Project Commissioning

In 2024, FHFL participated in the commissioning of 236 housing units in Akwa Ibom State. The project provided tangible housing solutions to verified beneficiaries and reinforced FHFL's commitment to sub-national partnerships for affordable housing delivery.

Impact of Stakeholder Engagements across these engagements, FHFL:

- Expanded its partner network nationally and internationally.
- Strengthened industry confidence in its financing models.
- Reinforced its reputation as a trusted leader in driving inclusive housing solutions.



2024 STAFF WELL-BEING PROGRAMMES

In 2024, the HR Unit continued to champion and strengthen FHFL's culture of learning, engagement, and staff well-being through a series of strategic initiatives and programs. By investing in our people, the HR Unit has ensured that employees feel valued, supported, and inspired to contribute to the organization's long-term success.

A. Training and Development

Executive training session by the Lagos Business School

During this reporting period, the HR Unit championed a culture of continuous learning by organizing and facilitating a diverse range of training programs designed to enhance staff competencies while advancing FHFL's strategic goals. In total, 13 training programs were delivered across individual, group, and organization-wide platforms, ensuring that every staff member participated in at least one capacity-building opportunity during the year. This approach reflects our belief

Key Highlights

- **Training Topics:** The programs covered critical and forward-looking themes such as regulatory compliance (AML/CFT), Countering Proliferation Financing Risks, Housing Finance, and Environmental & Social Risk Management. In addition, employees participated in flagship leadership and management programs, including the Lagos Business School Senior Management Program and the Management Acceleration Program. These initiatives underscore our commitment to building a quality workforce with cutting-edge knowledge and ensuring that FHFL remains ahead of evolving global standards.
- **Collaborations:** To deliver world-class learning experiences, FHFL partnered with prestigious institutions such as Lagos Business School, DataPro, FITC, and the Climate Transition Academy. These collaborations not only enriched the quality of our programs but also reinforced our commitment to fostering a workforce that is adaptive, resilient, and prepared to lead in a dynamic business environment.



Executive training session by the Lagos Business School



B. Employee Engagement

At FHFL, employee engagement is recognized as a strategic imperative, driving productivity, retention, FHFL's culture, and overall business performance. The HR Unit actively nurtures this engagement by cultivating an inclusive environment where every employee feels appreciated and deeply connected to the company's mission.

Throughout 2024, a wide array of engagement initiatives was implemented, spanning wellness programs, team-building exercises, knowledge-sharing sessions, recognition awards, and end-of-year celebrations. Each activity was thoughtfully designed to foster collaboration, support staff well-being, and reinforce a strong sense of belonging, ensuring that employees not only contribute to FHFL's success but also thrive within a culture that celebrates their contributions.

C. Health Week

In September 2024, A standout program was the FHFL Health Week, themed “Healthy Minds, Healthy Bodies: Wellness from Within,” which saw participation from over 85% of employees. This initiative emphasized the importance of nurturing both mental and physical health as a foundation for overall well-being and enhanced productivity.

The week featured a thoughtfully curated lineup of activities designed to engage employees, inspire healthy habits, and reinforce the FHFL’s commitment to fostering a supportive and vibrant workplace culture. By promoting wellness from within, FHFL continues to empower its workforce to thrive personally and professionally, strengthening the organization as a whole.

Key Highlights of the 2024 FHFL Health Week included:

- Employee General Check-up and Health Fair: Axa Mansard, our health insurance partner provided comprehensive health screenings and access to wellness resources, providing staff with the tools and information needed to maintain optimal health.
- Talk Sessions on Mental Well-being and Productivity: A practicing doctor led engaging discussions focused on strategies to sustain mental health while enhancing workplace performance.
- Outdoor Football Match and Team-Bonding Exercises: Recreational activities that strengthened camaraderie, fostered team spirit, and promoted healthy competition among colleagues.
- 10,000 Steps Challenge: Leading up to Health Week, staff were encouraged to participate in a daily step challenge, reinforcing the importance of incorporating regular physical activity into daily routines.



FHFL team undergoing general fitness tests

Together, these activities reflected FHFL’s commitment to promoting a culture of holistic well-being, where physical health, mental wellness, and strong interpersonal connections are celebrated and prioritized.

D. 2024 End-of-Year Activities

In December 2024, the HR Unit continued to uphold a vibrant tradition of organizing engaging end-of-year activities, celebrating the dedication and achievements of staff while fostering a sense of community. The 2024 End-of-Year celebrations featured a thoughtfully curated lineup of events designed to recognize excellence, encourage camaraderie, and bring the year to a memorable close.



Highlights of the 2024 celebrations included:

1. **Gala Dinner:** An elegant gathering that brought staff together to reflect on a successful year and celebrate collective achievements in 2024.
2. **Staff Recognition:** Celebrating the values of FHFL and recognizing outstanding contributions through accolades such as Most Resilient Male, Most Resilient Female, Most Punctual, and Mentor of the Year, among others, highlighting excellence and individuality.
3. **Team Bonding Activities:** The HR Unit organized Interactive activities that fostered team spirit and strengthened interpersonal bonds.
4. **Staff Appreciation:** Tokens of appreciation to acknowledge each employee's contributions throughout the year through gift items and a unique certificate.



E. Knowledge Sharing Sessions

FHFL has consistently nurtured a culture of learning and collaboration through a range of internal and external knowledge-sharing initiatives. These programs are strategically designed to expand employee expertise, support professional growth, and strengthen the organisation's engagement with broader societal conversations.

In 2024, these initiatives spanned multiple areas, including inviting subject-matter experts to lead insightful sessions during International Women's Day and International Men's Day, fostering dialogue on diversity, inclusion, and leadership. Additionally, focused sessions were organized to deepen employees' understanding of the Help-to-Own Fund, highlighting how both staff and the wider public can benefit from this transformative initiative.

By creating these opportunities for learning and engagement, FHFL empowers its workforce with knowledge, inspires innovation, and reinforces its commitment to societal impact.

F. Staff Welfare

The Human Resources Unit has long upheld a culture of prioritizing staff welfare, ensuring that employees feel supported and valued throughout their personal and professional journeys.

Over the years, a variety of welfare initiatives have been consistently implemented, reflecting the organization's commitment to nurturing a caring and inclusive workplace. In 2024, We introduced the monthly celebration of work anniversaries.

Key staff welfare initiatives include:

- **Celebrating Special Occasions:** FHFL recognizes important life events such as childbirth and weddings, fostering a sense of belonging and community among employees.
- **Staff Send-Forths:** Though meaningful farewells for departing colleagues can be dismal, honouring their contributions to the success of the organization and maintaining strong professional relationships is important to FHFL.
- **Support During Challenging Periods:** Providing assistance and care to staff during difficult times, ensuring that employees feel supported and valued by the organization.

Impact: These internal engagements nurtured a motivated, healthy, and high-performing workforce, reinforcing FHFL's position as an employer of choice in Nigeria's housing sector.

Through these initiatives, FHFL reinforces its commitment to a holistic approach to employee well-being, creating an environment where staff are not only professionally empowered but also personally supported.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Supporting Health and Wellbeing – #WalkAwayCancer Campaign

In 2024, Family Homes Funds Limited (FHFL) proudly co-sponsored the MedicAid Cancer Foundation’s #WalkAwayCancer campaign, an initiative dedicated to raising awareness about cancer, celebrating survivors, and mobilizing support for ongoing prevention and treatment efforts. FHFL’s team actively joined the walk alongside hundreds of participants, symbolizing solidarity with those affected by cancer and reinforcing our commitment to community wellbeing.

Why Cancer Awareness Matters

Cancer remains one of the leading causes of death in Nigeria and across the globe. According to the World Health Organization, Nigeria records over 100,000 new cancer cases annually, with breast and cervical cancers being among the most common. Beyond the statistics, each diagnosis represents families facing financial strain, emotional stress, and the challenge of accessing timely treatment. Campaigns like #WalkAwayCancer are crucial in breaking the silence, spreading knowledge about prevention and early detection, and ensuring survivors’ voices are heard.



FHFL's Commitment to Social Good

While our core mandate is affordable housing, FHFL recognizes that sustainable development is multi-dimensional. Access to decent housing improves quality of life, but good health is equally fundamental to human dignity and productivity. By supporting initiatives such as #WalkAwayCancer, we extend our impact beyond bricks and mortar, investing in healthier, stronger, and more resilient communities.

Our sponsorship and participation reflected FHFL's values of empathy, inclusivity, and partnership. Through collective action with Medicaid and other stakeholders, we amplified the message that cancer can be fought with awareness, early screening, and community support.

Impact and Outlook

- Awareness: The campaign reached thousands through physical participation and nationwide media coverage, sparking critical conversations on cancer prevention.
- Solidarity: Survivors were honoured, their resilience celebrated, and their stories used to inspire others.
- Engagement: FHFL staff actively participated, strengthening our culture of volunteerism and corporate citizenship.

We remain committed to supporting causes that align with our mission of improving lives. By standing with health-focused initiatives, we reaffirm our belief that affordable housing, economic empowerment, and public health together form the foundation for a truly inclusive society.



Ratings and Awards

In 2024, Family Homes Funds Limited (FHFL) earned strong recognition for its financial resilience and impact. Our upgraded credit ratings and industry awards underscored the confidence of investors, partners, and stakeholders in our business model and governance. These achievements highlight FHFL's position as a trusted institution in affordable housing finance and affirm our continued commitment to excellence, innovation, and accountability.



Ratings:

Aa-
Agusto & Co

A/A1
GCR Rating

Awards:

Excellence in Housing Finance Award
by Africa International Housing Show (AIHS)

Mortgage product of the year
by Africa Housing Awards (AHA)



Chapter 7

Financial Statements

**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 of N301.72 per share in respect of the year ended 31 December 2024 of 7.5% of profit after tax (2023: 5%), amounting to a total dividend of N301,725,764 (2023: N183,162,700) was proposed at the board meeting held on 16 May 2025 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.

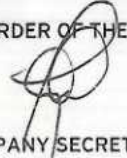
FORMAT OF FINANCIAL STATEMENTS

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

3 June

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.

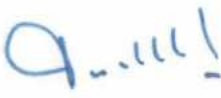
The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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.

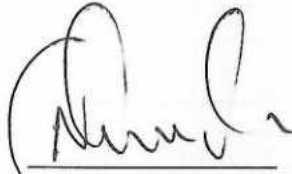
Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Ademola Adebise
Chairman
FRC/2013/ICAN/0000002115



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



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

3 June 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

3 June 2025



Building a better
working world

Ernst & Young
10th Floor
UBA House
57, Marina
P. O. Box 2442, Marina
Lagos.

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

**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/004/00000000581
For Ernst & Young
Lagos, Nigeria

3 June 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

| Assets | Notes | 2024 N'000 | 2023 N'000 |
|---------------------------------------|-------|--------------------|--------------------|
| 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 |
| | | <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 |
| | | <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 |
| | | <u>15,366,166</u> | <u>11,387,816</u> |
| | | ===== | ===== |
| 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> |
| | | ===== | ===== |

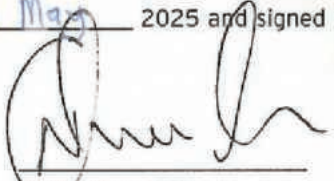
The financial statements were approved by the Board of Directors on 16 May 2025 and signed on its behalf by:



Ademola Adebise
Chairman
FRC/2013/ICAN/0000002115
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 | 2023 |
|---|------|---------------------|--------------------|
| | Note | N'000 | N'000 |
| Operating activities | | | |
| 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.

**FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
NOTES TO THE FINANCIAL STATEMENTS**

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

**FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
NOTES TO THE FINANCIAL STATEMENTS**

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.

**FAMILY HOMES FUNDS LIMITED
ANNUAL REPORT
NOTES TO THE FINANCIAL STATEMENTS**

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.

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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.

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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.

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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.

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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.

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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.

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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 Derecognition 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.

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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 Derecognition 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.

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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.

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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.

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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 | 2023 |
| | | N'000 | 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 | 2023 |
| | Geographical markets | N'000 | N'000 |
| | 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 | 2023 |
| | | N'000 | 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 | 2023 |
| | | N'000 | 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 |
| | Maintenance costs | 49,798 | 20,348 |
| | 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 |
| | | ----- | ----- |
| | | 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 Company 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

Lease rental expenses on Sukuk bonds (Note 25.3)

Loan charges*

Interest on African Development Bank loan

| | 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

Minimum tax

Company income tax charge

Education tax charge

Police trust fund levy

Deferred tax:

Relating to origination and reversal of temporary differences

Income tax expense reported in the statement of profit or loss

| | 2024 N'000 | 2023 N'000 |
|--|---------------|---------------|
| Minimum tax | 72,187 | - |
| 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 | 2023 |
|---|---------------|----------------|
| | N'000 | 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: N22,760,000).

| 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 |
|--|-------------------|-------------------|------------------|-------------------|------------------|---------------------------|------------------|--------------------|---------------|------------------|------------------|------------------|---|
| 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 | - | - | - | - | - | - | - | - | - | - | - | - | 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 |
| At 1 January 2024 | 68,822,081 | - | - | - | - | - | - | 68,822,081 | - | - | - | - | - |
| ECL Provision for the year (Note 17.2) | (1,092,704) | - | - | - | - | - | - | (1,092,704) | - | - | - | - | - |
| Loan receivables (net) 1 January 2024 | 67,729,377 | - | - | - | - | - | - | 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 1.4% 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 1.4% 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 FHF.

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 Aurora woods 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 | 11,298,977 | 15,711,975 |
| Finished properties | 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

| | 2024 N'000 | 2023 N'000 |
|--|------------------|------------------|
| Financial instruments: | | |
| Interest receivables | 1,237,965 | 1,788,575 |
| Value added asset* | 554,139 | 554,139 |
| Share capital receivables | 510 | 510 |
| Staff loans and advances | 168,853 | 169,613 |
| Allowance for expected credit loss on staff mortgage loan*** | - | - |
| | ----- | ----- |
| | 1,961,467 | 2,512,837 |
| Non-financial instruments: | | |
| Prepayments** | 328,686 | 155,868 |
| | ----- | ----- |
| Total other receivables | 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

| | 2024 N'000 | 2023 N'000 |
|-----------------------------|---------------|---------------|
| Short-term deposits - Naira | 29,440,831 | 36,386,827 |
| Short-term deposits - USD | 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

| | 2024 N'000 | 2023 N'000 |
|----------------------------------|----------------|-------------------|
| Cash at hand | 139 | 57 |
| CBN operational account | 2,890 | 32,077 |
| CBN treasury single account | 387,207 | 427,684 |
| CBN AfDB HTO account | 153,505 | 18,142,200 |
| CBN HTO counterpart fund account | 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 | 2023 |
|-----------------------------------|----------------|----------------|
| | N'000 | 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 |
| | ----- | ----- |
| | 720,899 | 697,146 |
| | ===== | ===== |

*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 | 2023 |
|----------------------------|---------------|---------------|
| | N'000 | N'000 |
| Value added tax | 12,799 | 38,676 |
| Withholding tax payable | 32,778 | 38,120 |
| Personal income tax | - | 69 |
| | ----- | ----- |
| | 45,577 | 76,865 |
| | ===== | ===== |

| 27.2 Dividend payable | 2024 | 2023 |
|-------------------------|----------------|---------------|
| | N'000 | 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 | 255,674 | 72,511 |
| | ===== | ===== |

| 28 Contract liabilities | 2024 | 2023 |
|------------------------------|------------------|------------------|
| | N'000 | 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 | 7,074,600 | 5,597,816 |
| | ===== | ===== |

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 | 2023 |
|--|-------------------|-------------------|
| | N'000 | N'000 |
| African Development Bank | 30,716,400 | 18,142,000 |
| FHFL Sukuk issuance programme bond | 26,524,879 | 27,332,077 |
| | ----- | ----- |
| | 57,241,279 | 45,474,077 |
| | ===== | ===== |
| Current | 7,498,480 | 4,514,768 |
| Non-current | 49,742,799 | 40,959,309 |
| | ----- | ----- |
| | 57,241,279 | 45,474,077 |
| | ----- | ----- |

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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 | 2023 |
|--|----------------|----------------|
| | N'000 | 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 |
|----------|----------------------------|-----------------------------------|
| 2024 USD | % | N'000 |
| | +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 |
|------|-----------------------|-----------------------------------|
| 2024 | % | N'000 |
| | +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.

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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.

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NOTES TO THE FINANCIAL STATEMENTS

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 | |
|---------------------------------------|----------------|---------------|------------------|-------------------|-------------------|
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| 31 December 2024 | | | | | |
| 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.

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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 | Level 2 | Level 3 |
|---|--------------------------|----------------|----------------|----------------|
| Quantitative disclosures on fair value measurement hierarchy for the CGU | | N'000 | N'000 | N'000 |
| 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

A final dividend of N301.72 per share in respect of the year ended 31 December 2024 of 7.5% of profit after tax (2023: 5%), amounting to a total dividend of N301,725,764 (2023: N183,162,700) was proposed at the board meeting held on 16 May 2025 and subject to approval at the Annual General Meeting. The dividend is subject to withholding tax at appropriate rate.

There were no other events after the reporting date which could have had a material effect on the state of affairs of the Company as at 31 December 2024 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

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.

40 Internal Control Over Financial Reporting (ICFR) Waiver

On 29 April 2025, the Financial Reporting Council of Nigeria (FRCN) issued a circular to grant one-year waiver to all Agencies of the Government for the submission of Management Report on Internal Control Over Financial Reporting (ICFR) that hitherto are required to submit their 2024 Audited Financial Statements (AFS) together with their ICFR Reports and Auditor's attestation to the Council in 2025.

OTHER NATIONAL DISCLOSURES

**FAMILY HOMES FUNDS LIMITED
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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 |

Appendix

| Projects | Status | 2024 Projects |
|--|-----------|---------------|
| Grand Luvu – Nasarawa | Completed | |
| Darmanawa – Kano | Completed | |
| Delta | Completed | |
| Gidan Iyali – Kaduna | Completed | |
| OPIC – New Makun | On-going | |
| Kebbi | Completed | Completed |
| Panisau – Kano | Completed | |
| Niger Phase I | Completed | Completed |
| Borno | Completed | |
| Niger Phase II | Ongoing | |
| Gidan Dawa - Zamfara | | |
| Akwa Ibom | Ongoing | |
| Yobe | Completed | |
| Adamawa | Ongoing | |
| Gombe | Completed | |
| Bauchi | Ongoing | |
| Enugu | Ongoing | |
| RCCG - Green Pasture | Completed | |
| Renewed Hope Housing Project, Karsana, Abuja | Ongoing | Commenced |
| AKSU – Student Housing | Ongoing | Commenced |
| Warri – Student Housing | Ongoing | Commenced |
| Tai Solarin – Student Housing | Ongoing | |
| Fed. Poly Bauchi – Student Housing | Ongoing | |
| ABU Zaria- Student Housing | Ongoing | |
| COE, Zuba- Student Housing | Ongoing | |
| Renewed Hope Housing Project, Janguza, Kano | Ongoing | |



CONTACT INFORMATION

 3rd Floor Sinoki House,
Samuel Ademulegun Avenue,
Central Business District, Abuja.

 www.fhfl.com.ng